

Procurement Salary Guide and Insights

www.cips.org.cn

**KEY
TRENDS AND
FINDINGS
2019**

英国皇家采购与供应学会

Procurement Salary Guide and Insights 2019



The results of the CIPS/Hays Salary Survey is the procurement and supply chain benchmark on how our profession is performing, demonstrating the value businesses and organisations place on our skills and knowledge.

With the recent impacts of global socio-political and economic change, we find ourselves working in very challenging times as the demands on our profession escalate and are certainly much greater than when I started in procurement over 30 years ago. The breadth of the challenges is escalating. The impact of digitalisation needs fast reactions and strategic changes to ensure that we're not left behind. We should be leading, not lagging, embracing change and not fighting it.

Having the right people in the right roles is crucial to the success of every organisation, and our professionals must be focussed on the continued elevation of their own and their team's skills to continue to be at the cutting edge and meet the demands of employers. For instance, strong commercial acumen and communication skills are two attributes I feel are needed by procurement for the profession to add value and gain influence, and the survey results confirm this. Looking to the future, many of our procurement roles will be in strategic sourcing where strong relationship management skills are critical. Professionals have to work closely with their colleagues to support the strategic vision of an organisation, to unlock value across the supply chain and develop innovative solutions. That's why the ability to build relationships came out as the most sought-after skill in the survey.

We must encourage our members to continue their professional development, as it's no surprise that MCIPS professionals earn up to 15% more than our non-qualified counterparts, and MCIPS professionals are the first choice for recruiters in many sectors. Business leaders are turning towards procurement for the answers to key issues such as Brexit, ensuring supply chains are free from any disruptions, free from modern slavery which is robbing people of their lives and liberty for business gain, or cyber security which can bring whole businesses down in a day. All these serious attacks on business can be detected by procurement, be tackled by procurement and solutions found by procurement. That's why the results of the survey shows the search for MCIPS talent remains high.

As a profession, with this positive and skilled mindset, talented professionals will always be in demand because highly-skilled people are still hard to find. The responsibilities supply chain managers have are many. Risk mitigation, whether it is security of supply, or the prevention of damage to reputation caused by unethical actions is a prime focus for supply chain professionals. Millions have been stolen from businesses in the UK last year. Procurement can make businesses more innovative and also more financially viable by detecting and preventing fraud in the supply chain. Individuals in the profession also gain, not just because they are part of a fascinating and growing profession, but also the increase in pay for procurement professionals overall at 5.3% was higher than the national average of 4% according to the results.

The results are always thought-provoking and often uplifting. The narrowing gaps between Public, Private and Not-For-Profit sectors in terms of pay scales shows the increasing value that procurement is bringing to the Public Sector and to charities. The once-held view that the Private Sector held the highest skilled individuals is no longer the case. Having skills and experience in multiple sectors can improve the abilities of everyone in procurement and supply. Having said that, individuals in the Private Sector still had the highest salaries though salaries in the charity sector were outperforming in terms of percentage rises.

It could be argued however that the biggest news from the survey is the reduction in the gender pay gap from 11% last year to 4% this year at Managerial level in the Private Sector and Professional level in the Public Sector. Though the gap still exists, it's encouraging to see this much reduced and the equality goal a little nearer to attainment.

Procurement is an enabler and a business partner. We understand business and are measured on business success and our professional behaviour is dictated by what we're measured on, so we must be strategically aligned to our business goals. Procurement helps mitigate against risk, supports businesses to get the maximum value from their suppliers. And while 56% of respondents are still looking for talent to help shape their business goals, procurement professionals must continue to change, develop and improve their skills and abilities and continue to be the most effective, most sought-after professionals.

Malcolm Harrison

Group CEO
Chartered Institute of
Procurement & Supply

Hiring for the Future

We are pleased to partner with CIPS for a fifth year to continue to provide insight into the key trends and issues impacting the procurement and supply chain profession.

None of us can escape the changes taking place all around us, from political uncertainty and economic pressures through to the digital transformation of the workplace. Procurement teams must therefore be more adaptable than before to continue to deliver optimal solutions for their organisation.

Amidst this climate of change, the procurement profession continues to go from strength to strength and positive perceptions of the profession have grown year-on-year. Talented procurement professionals remain in high demand as organisations navigate the often uncertain market in which they operate – the number of employers looking to hire new procurement staff in the coming month remains high at 65%. The impact of this search for talent means salaries for many job roles

in procurement continue to be above the national average.

However, our report also shows that most employers face challenges finding the right talent, a trend that is consistent with previous years. To help mitigate finding obstacles, there are many aspects of the recruitment process that employers can evaluate and optimise. For example, how many is it for candidates to apply to your organisation? Are you effectively showcasing your employer brand and promoting why a procurement professional should want to work for you? Are your hiring practices fully diverse and inclusive? All of these must be considered and acted upon for employers to be in the best position to find the talent they need to grab the opportunities ahead.

Creating a pipeline of talented procurement professionals with the right skills not only for the short-term, but for the long-term too, will stand organisations in good stead. It will help them to continue building positive perceptions, ensure they are better equipped to face the challenges and enable them to access the skills they need to drive growth.

We hope you find the insights covered in this report useful in your workforce planning, or as a guide for your own career development.

hays.co.uk/procurement

Scott Dance

Director, Hays Procurement & Supply Chain

Since 2015 when the first CIPS/Hays Procurement Salary Guide and Insights Report was published, procurement professional salaries have consistently risen above the increase in average salaries for the UK economy. That trend continues in this year's report with procurement salaries growing at 5.3% compared to a national average of 2.7%. At a time when the UK economy is close to full employment and the reality of Brexit, in whatever form it takes, looms, the demand for procurement professionals is significantly outstripping supply. This year's report clearly shows that the broad trend of booming demand for procurement professionals has manifested itself in a number of interesting movements in the procurement professionals labour market.

Firstly, bonuses as a percentage of average salaries are in the range of 7.5-13% across all regions of the economy. Bonuses are also determined by seniority with the most senior procurement professional receiving annual bonuses equal to 25% of that group's average salaries.

Secondly, salaries in the Public Sector and Charity/Not For Profit Sector have increased

by 10% and 9% respectively, presumably as these sectors face increased competition from the Private Sector to retain and attract their very best employees.

Finally, and perhaps most encouragingly, the gender pay gap is now down eleven percentage points since 2018 at Managerial level in the Private Sector and Professional level in the Public Sector. The gender pay gap is less than 2% at most levels of the profession with the only area of real concern in this respect is at the very top of the profession, at our Senior Professional level, where the gap is 11%.

In last year's report, the emergence of the procurement profession's 'engine room' of recruiting analysts to deal with the challenges of big data, artificial intelligence, predictive analytics and eProcurement was interestingly, this year which has been dominated by concerns associated with Brexit, the largest increases in the procurement engine room have gone to contract managers (9.1%) and their assistants (12.4%).

Internationally, the demand for procurement professionals relative to supply remains strong in MENA, with average salaries increasing at

20% per annum. In Australasia, South Africa and Sub-Saharan Africa average wage growth was more modest, in single digits. However, the premium paid to MCIPS professionals still remains very strong: in Australasia, for example, this premium is 21%.

Over the next few years, the outlook for procurement professionals remains excellent. Demand for their services outstrips supply and this is reflected in healthy wage appreciation. The profession is battling to attract and retain the best talent available. The value of personal development is clearly indicated in this report with MCIPS professionals enjoying average salaries of 15% higher than non-MCIPS professionals. This premium for MCIPS status is greater for those in mid-career where a 'Senior Buyer' could enjoy a 21% uplift in their average salary if they have MCIPS compared to their colleagues who do not. Those professionals who develop their capabilities can enjoy successful and remunerative careers and there is clear evidence that CIPS can help them on that journey.

Dr. John Glen

CIPS Economist
Visiting Fellow of Cranfield University

About this report

The CIPS/Hays Procurement Salary Guide and Insights 2019 allows procurement professionals and employers to:

- **Benchmark salaries and bonuses for different roles and profiles**
- **Highlight career aspirations**
- **Understand perceptions of procurement**

This report is also available for the following regions:
 MENA
 Australasia
 South Africa
 Sub-Saharan Africa

THE REPORT IS DIVIDED INTO FOUR SECTIONS:

SECTION 1

Salaries, bonuses and benefits

SECTION 2

Interims

SECTION 3

Procurement as a career

SECTION 4

Perceptions of procurement

CONCLUSION

Within each section you will find set out the statistical findings of our survey alongside conclusions drawn by the experts involved in putting together the report, as well as insights from six organisations that illustrate examples of best practice.

The findings in this report are based on research conducted in September 2018 via an online survey among professionals currently working in procurement. This year over 3000 professionals globally completed the survey. The results were analysed by the Professional Associations Research Network (PARN). **The data in all graphs is based on 2019 respondents only and is not a comparison on 2018 data***. However, we have highlighted significant year on year changes.

Statistics throughout this report have been rounded to the nearest decimal point.

Throughout this report different levels of professional seniority have been summarised into five levels of competency. These are described in the chart below along with some examples of job roles that fall into each group.

COMPETENCY LEVEL

TYPICAL JOB ROLES



Advanced Professional

Head of Procurement, Procurement Director, Commercial Director, Chief Procurement Officer, Supply Chain Director, Head of Sourcing.



Professional

Procurement Manager, Purchasing Manager, Category Manager, Supply Chain Manager, Strategic Procurement Manager, Operations Manager, Commercial Manager, Head of Logistics.



Managerial

Senior Buyer, Category Manager, Contracts Manager, Contracts Officer, Logistics Manager, Supply Chain Executive.



Operational

Buyer, Procurement Specialist, Supply Chain Analyst, Procurement Executive, Procurement Officer, Supply Chain Planner, Logistics Analyst.



Tactical

Purchasing Assistant, Assistant Buyer, Administrative Assistant, Stock Controller, Contracts Administrator, Inventory Planner, Assistant Contracts Officer.

Salaries, bonuses and benefits

Exploring how procurement and supply professionals are remunerated, comparing experience, region, sector, MCIPS v non-MCIPS and gender as well as considering bonuses and additional benefits.

Overall growth
5.3%

section

Over the last five years, average salaries in procurement have performed consistently above the national average; a mark of the growing confidence in and respect for the profession. This year, we have seen significant pay increases in the Public Sector as organisations, particularly within Central Government, look to change and commercialise their working practices by attracting skills from the Private Sector which command more competitive salaries. This strategy of seeking talent outside one's own sector or industry has the added benefit of increasing diversity within procurement teams, which is proven to lead to an increase in performance and innovation. It is to be hoped that in the coming years a level playing field in terms of salaries, bonuses and benefits will be achieved across the sectors.

We also continue to see MCIPS and FCIPS professionals commanding higher salaries than their non-MCIPS and non-FCIPS colleagues. Accompanied by a growing recognition of MCIPS and FCIPS by recruiters

and employers, this emphasises how important it is for individuals to invest in their careers through professional qualifications and continuing professional development (CPD): it is a mark of an individual's integrity, professionalism and commitment to performing to the best of their abilities. In future reports it will be interesting to see whether the recently introduced Chartered status builds similar recognition to MCIPS and FCIPS, and commands similarly higher salaries.

This year, the gender pay gap persists and has in fact widened at the highest and lowest levels of seniority. However, in the mid-levels there does seem to be a narrowing of the gap which it is hoped will continue and spread to all levels. More positively, the gap between the number of men and women receiving salary increases is now marginal and in fact women have received higher salary increases than men.

Again this year, the roles of Buyer and Senior Buyer are the most commonly recruited for,

and now they are joined by Category Manager. However, while proportions of respondents recruiting for a Category Manager and Senior Buyer have increased since 2018 by 2% and 0.8% respectively, with 3% being the biggest increase across job roles, those recruiting for a Buyer have decreased (by 2.6%, the biggest decrease across job roles).

Last year we highlighted a need for employers to pay close attention to making their benefits packages as compelling as possible in order to retain staff. All organisations should be thinking more creatively in terms of the types of benefits they offer, and more flexibly in terms of allowing benefits to change at various points in the year as employee needs change. Some organisations are taking things even further, such as offering guaranteed GP appointments online during the working day. Other examples include offering doctors, dentists and other practitioners on-site, investing in the health and wellbeing of their employees at the same time as reducing time off work to attend healthcare appointments.

Salaries

by seniority

£105K
AVERAGE
SALARY
Procurement
Director

6.9%
increase
on 2018

Every year since 2015, when we began reporting, we have seen average salary increases for procurement professionals above the national average. This year the broad picture is the same, with respondents identifying increases of **5.3% compared to a UK 2.7%** average.**

72% of respondents received a salary increase, **4% more than in 2018**, and yet again the most significant differences are seen between Advanced Professional and Professional levels.

This year the highest salary increases, at 7.5% or more of salary, are for Assistant Procurement/Contracts Officer, Assistant Buyer, Contracts Officer, Procurement/Purchasing Officer and Commercial

Director roles. When compared against 2018, the biggest shifts are seen at: Assistant Procurement/Contracts Officer level, 12.4% compared to 5.9% in 2018; and Procurement/Purchasing Officer, 7.8% compared to 4.4%.

As we have observed in previous reports, while incidence of salary rises increased with the length of time working in procurement, the size of salary increase decreased.

- 78% of respondents working in procurement for over 20 years received a salary increase, with an average of 3.1%
- 58% of those working in procurement for up to two years reported an increase, with an average of 7.4%.

The UK average salary for all procurement and supply professionals is

£45,159*

Average procurement professional salary increase

5.3%

National average pay increase**

2.7%

*More respondents were at Management and Operational levels

**ONS Statistics September 2018



MCIPS brings credibility to your career and confidence to employers. Join today[†] and start the journey to your professional licence.

We continue to see a significant positive difference in the earning power of **MCIPS** members who on average earned **15% more (a 2% increase from 2018)** than non-MCIPS colleagues. The higher earning power of MCIPS members was pronounced in the middle of the seniority spectrum with, for example, MCIPS Senior Buyers earning on average 21% more than their non-MCIPS peers. This signifies the value employers place on MCIPS as a mark of professionalism, capability and integrity; MCIPS members have shown real

dedication to their careers in procurement through achieving, for example, CIPS professional qualifications. Those with Chartered status also commit to CPD which ensures that they are constantly learning at the top of their game.

The advantages of higher salaries are not limited to MCIPS, and can be seen to continue with seniority, with our FCIPS members also enjoying noticeably higher salaries.

15%
AVERAGE SALARY DISPARITY
between all levels
MCIPS v non-MCIPS



The higher earning power of MCIPS members

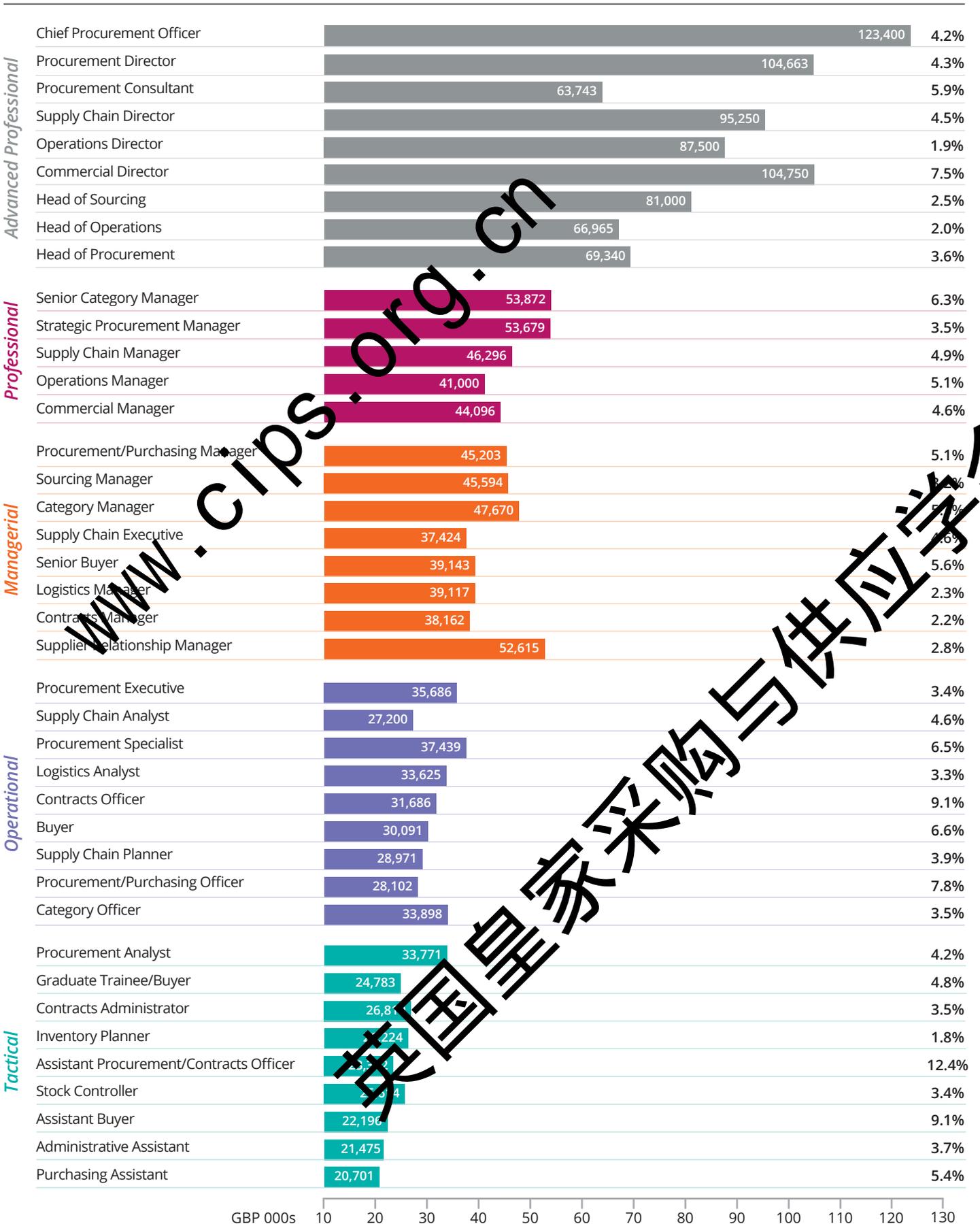
21%

AVERAGE SALARY DISPARITY SENIOR BUYER

[†] cips.org/joinonline

UK average salary by job title

Average % salary increase*



Salaries

by region

£45.2k

AVERAGE NATIONAL SALARY
Procurement Professional

As we continue to expect, professionals in London report the highest salaries at all levels of seniority, with an average of £58,960. This is an increase of 3.2%, breaking the pattern of a year-on-year decrease identified in previous reports. Apart from at Professional level, salaries for all roles in London have increased since 2018, most notably at Managerial and Operational levels.

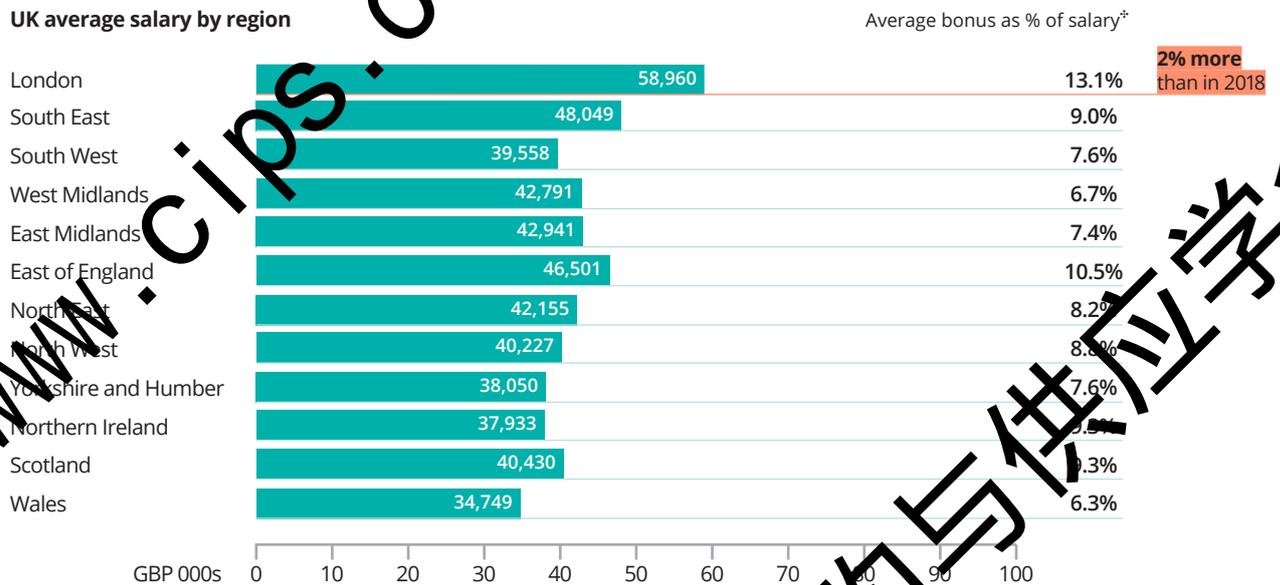
In a total change, Scotland and Yorkshire and Humber saw the largest decreases

in salaries in 2019. Meanwhile, average salaries in Wales dropped for the second year running. The most notable rises in the number of professionals receiving a pay rise were in Northern Ireland, the North East and London. The Northern Powerhouse continues to attract businesses and talent, with many blue chip and financial services companies moving to the North West to take advantage of lower overheads and more available office space. Here we saw the largest salary increase of 7.8%.

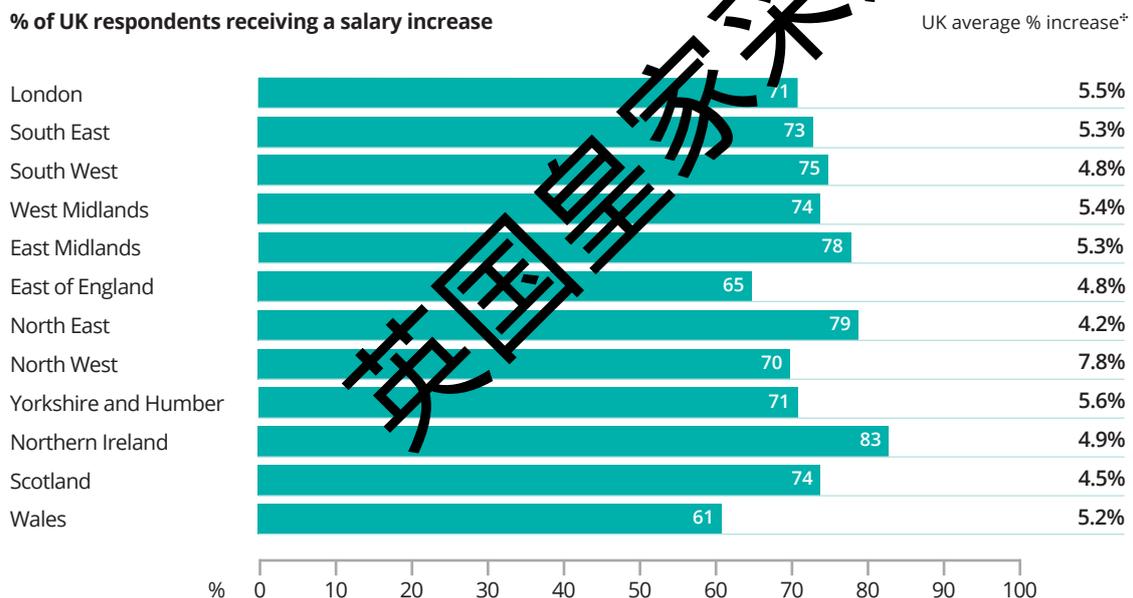
Professionals in London, as expected, continue to receive the highest bonuses, at an average 13.1% of salary. Outside London, the East of England reported the highest bonuses at 10.5%, while the South West saw the largest increase in the number receiving a bonus, 10% more than in 2018.

For a salary breakdown by gender, level and region please visit the Interactive Salary Map*.

UK average salary by region



% of UK respondents receiving a salary increase



Salaries

by sector

72% RECEIVED A SALARY INCREASE
Public Sector

10%
increase on 2018

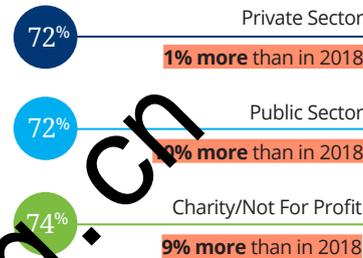
While the Private Sector continued to offer the highest salaries in 2019, we have started to see a narrowing of the sector pay gap with a fall in Private Sector salaries and rise in Public and Charity/Not For Profit Sector salaries.

The Public and Charity/Not For Profit Sectors both saw substantial increases in the number of professionals receiving a salary increase since 2018: 10% and 9% respectively. As a direct result of the drive to attract highly valued soft skills from the Private Sector, has led to:

- Charity/Not For Profit Sector outperforming the Private Sector: 74% of professionals received a salary increase compared to 72%
- Public Sector equalling the Private Sector: 72% of professionals received a salary increase

Despite this, yet again the size of pay increases was largest in the Private Sector, averaging 6.1% of annual salary and returning to 2017 levels after a slight decline in 2018. Pay increases were second highest in the Charity/Not For Profit Sector at 4.3%.

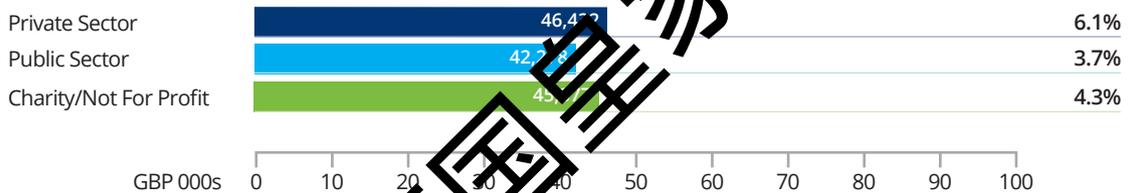
% of professionals receiving a salary increase:



Our research shows that a significantly higher proportion of procurement professionals working in both the Public and Charity/Not For Profit Sectors enjoyed a pay increase in the last year. In the Public Sector, one driver for the salary rises is the number of change and transformation projects taking place. As a result, we are seeing employers in this sector hiring experienced professionals from the Private Sector to take on such projects, creating inflated salaries to secure this talent. Procurement functions in the Charity/Not For Profit sector are also investing in experienced professionals from the Private Sector due to a heavier reliance on achieving cost savings.

Scott Dance
Director, Hays Procurement & Supply Chain

UK average salary by sector



Salaries

Private Sector breakdown

**7.9% AVERAGE
PROCUREMENT
PAY RISES**
for Defence in
the Private Sector

4.3%
increase
on 2018

This year, the greatest salary increases within the Private Sector were seen in Defence (a significant increase of 4.3% compared to 2018), Energy and Utilities (including Water, Mining, Oil, Gas and Nuclear), Construction and FMCG. All these industries saw pay increases of between 7.0% and 7.9% of annual salary on average.

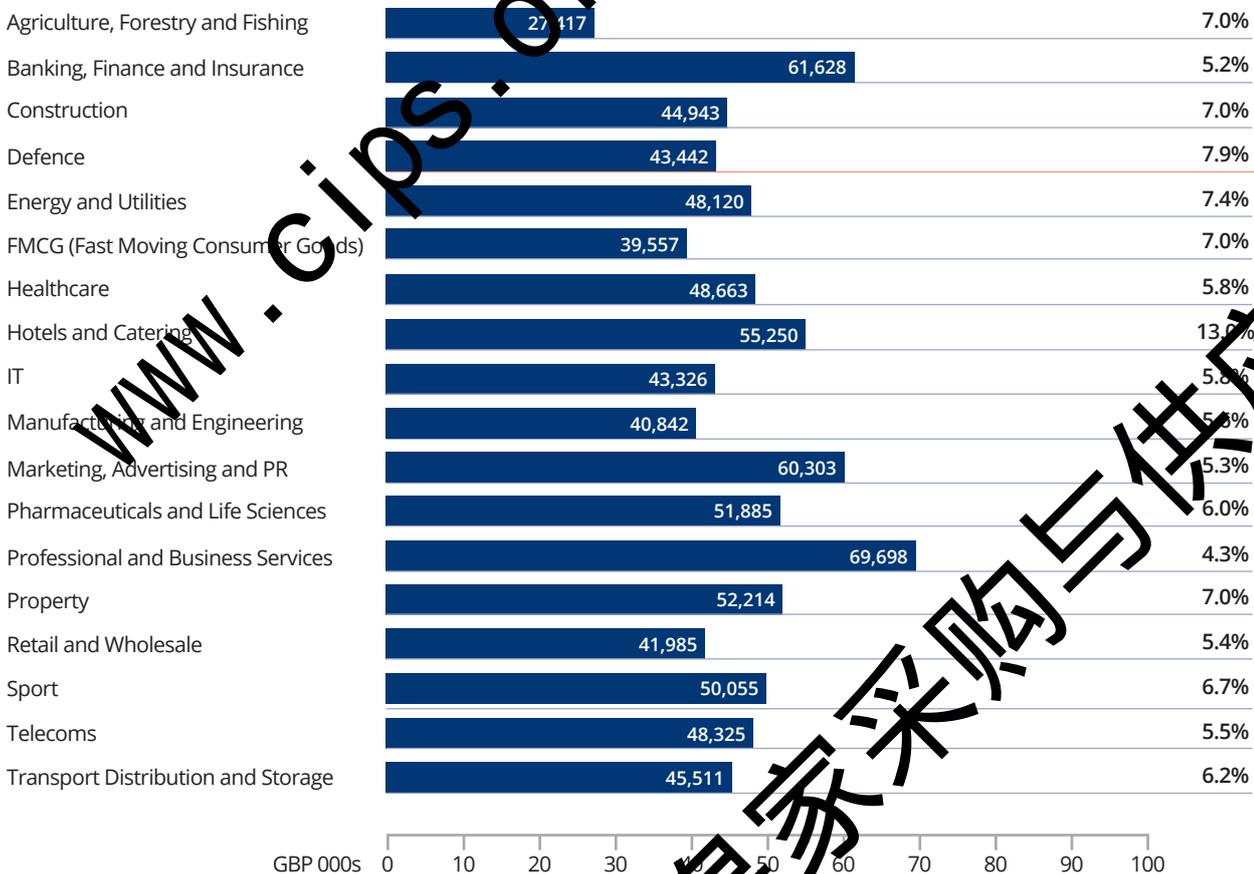
As in 2018, the highest salaries were identified in Professional and Business Services (including Legal and Consulting), followed by Banking, Finance and Insurance, and Marketing, Advertising, PR, Media and Communications.

Healthcare, Pharmaceuticals and Life Sciences, and FMCG saw the largest

number of professionals receiving a salary increase (over 80%). This may be due to the ever-increasing pressure for cutting-edge innovation leading to more complex procurement requirements, resulting in a need to attract highly skilled professionals who can keep organisations ahead of the game and improve speed to market of new products and services.

UK average Private Sector procurement salaries

UK average pay increases as % of salary by sector*



4.3% more than in 2018

UK average Private Sector receiving salary increases



Healthcare



Pharmaceuticals and Life Sciences



FMCG (Fast Moving Consumer Goods)



Manufacturing and Engineering



Energy and Utilities

Salaries

Public Sector breakdown

4.7%

AVERAGE PUBLIC SECTOR
PROCUREMENT PAY RISES
for Defence/MOD

In the Public Sector, the highest average salary increases were reported in the Defence/MOD industry, averaging 4.7% of annual salary and an increase of 1.4% since 2018.

Central Government and Emergency Services saw the biggest increases in annual salaries: £46,768 compared to £40,243 in 2018 for Central Government; and £44,187 compared to £41,143 for the Emergency Services. Within

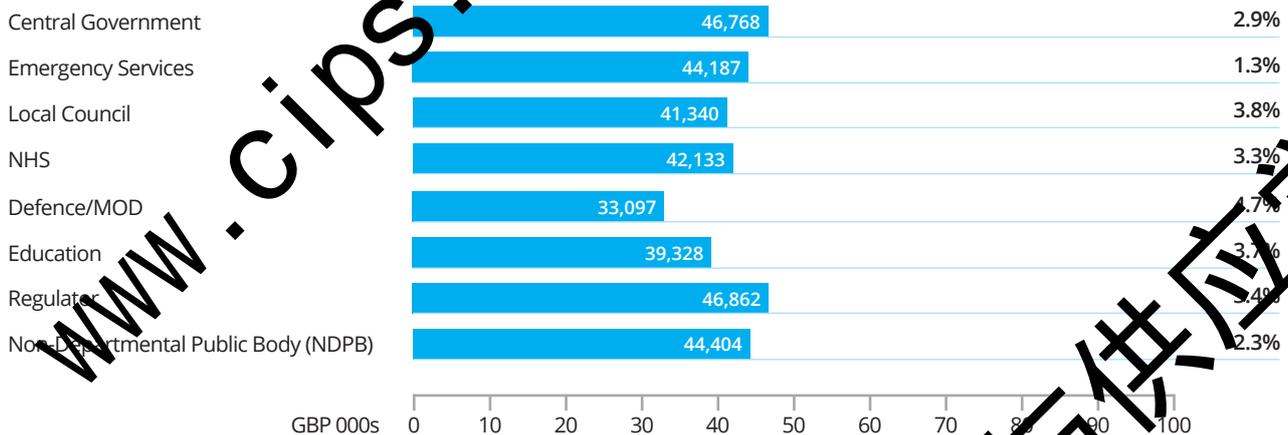
Central Government, the willingness to pay more may be a result of a need to transform the way they operate which requires a higher level of change management skills in the procurement function.

NDPB (Non-Departmental Public Body) and Regulator saw decreases in average annual salaries, down by 18% and 23% respectively since 2018. This may in part be due to a rebalancing after their large rises in 2018;

the largest of all Public Sector industries. Despite these decreases, Regulator and NDPB still saw a substantially higher proportion of professionals receiving a pay rise than other industries within the Public Sector. This year, three more industries (Emergency Services, NHS and Education) reported similar proportions (above 80%), as employers strived to retain staff despite offering relatively low salaries and nominal pay rises.

UK average Public Sector procurement salaries

UK average pay increases as % of salary by sector*



Salaries

Charity/Not For Profit Sector breakdown

5.7%

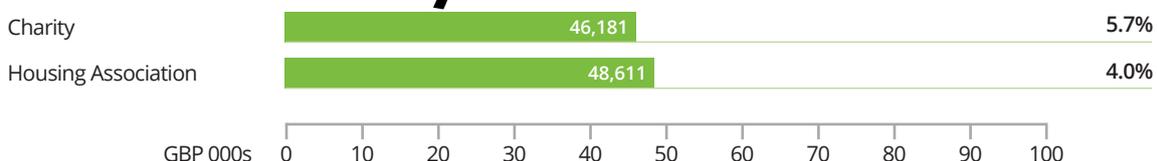
AVERAGE PUBLIC SECTOR
PROCUREMENT PAY RISES
for Charities

In the Charity/Not For Profit Sector, Housing Associations saw the highest average salaries at £48,611, an increase of 18% since 2018. In the Charity industry, salaries increased by an average of 7% to £46,181.

Incidence of salary increases was also higher for professionals in the Housing Association industry, but average salary increases as a % of salary were higher for Charities, at 5.7% compared to 4% for Housing Associations.

UK average Charity/Not For Profit Sector procurement salaries

UK average pay increases as % of salary by sector*



Salaries

by sector and seniority

**19% HIGHER
AVERAGE
SALARIES**
Private Sector
Professional
level

2%
increase
on 2018

In general, Private Sector salaries remain higher than those in the Public Sector, with the exception of Tactical level. In 2019, the greatest disparity was at the Professional Level, with salaries in the **Private Sector 19% higher than those in the Public Sector**. However, we have seen a positive narrowing again this year of the sector pay gap at Advanced Professional level, **reducing from 23% in 2018 to 10% in 2019**. This may have been affected by Central Government's willingness to pay more for skilled professionals who can lead transformation projects. At Managerial level, the sector pay gap has widened by 8% since 2018.

Although pay gaps have closed between the sectors at certain levels of seniority, there is still a way to go before the disparity is eliminated entirely for differing levels and skillsets.

Average salaries at Professional level

Private Sector



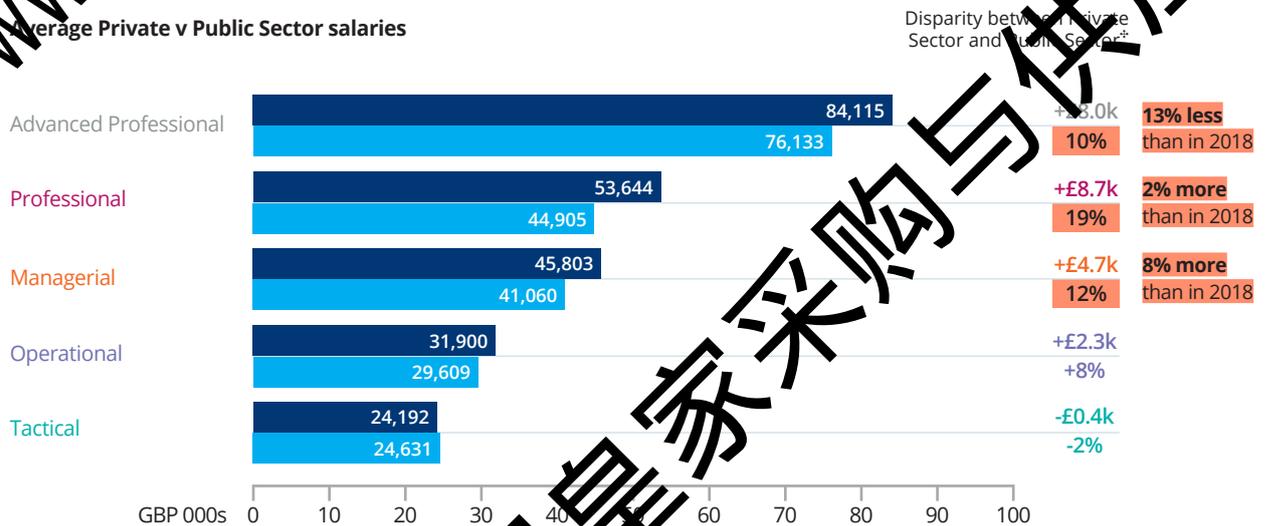
4% more
than in 2018

Public Sector



2% more
than in 2018

Average Private v Public Sector salaries



Salaries

by sector and region

5% DISPARITY
IN LONDON
Private Sector
and Public
Sector

29%
less than
in 2016

In London, we continue to identify a **narrowing pay gap between Private and Public Sector, with a reduction from 29% in 2016 to just 5% in 2019**. This may be due to Central Government seeking to attract highly skilled procurement people from the Private Sector for transformation projects. The pay gap also substantially narrowed in the South West. The biggest differences in pay between the Public and Private Sectors were seen in Wales (34%) and the East Midlands (25%), and the largest increases in sector pay gap were seen in the West Midlands and North East, widening by 25% and 19% since 2018 respectively.

Yorkshire and Humber was the only region where Public Sector salaries were higher than Private Sector salaries: £42,534 compared to £35,534.

Average salaries in London

Private Sector



3% more
than in 2018

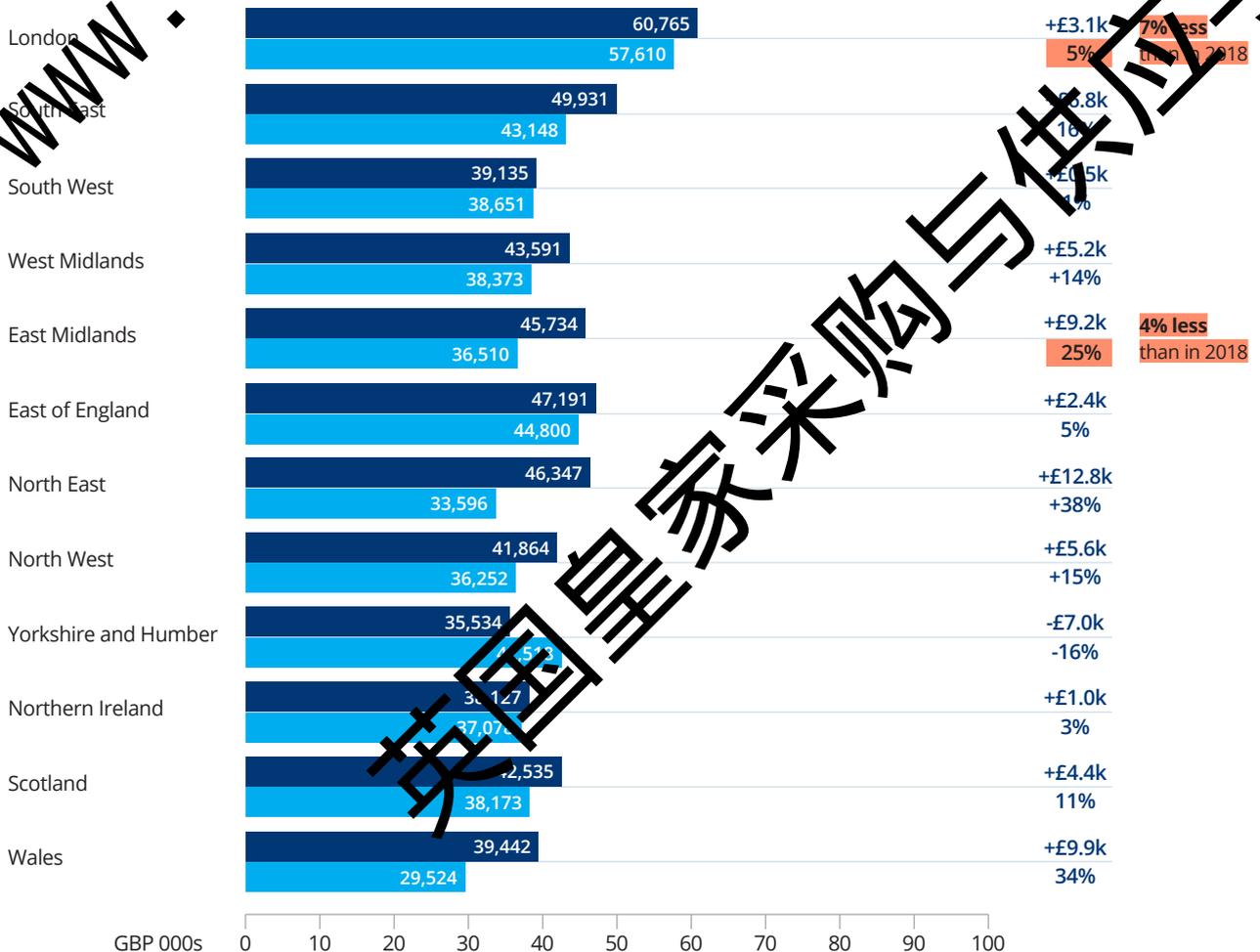
Public Sector



10% more
than in 2018

Average Private / Public Sector salaries

Disparity between Private Sector and Public Sector*



Salaries

by gender

**£2K HIGHER
AVERAGE
SALARIES
FOR MEN**
Managerial
level

6%
less than
in 2018

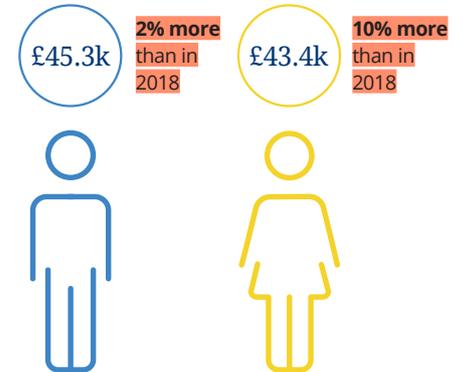
In the first full year of mandatory gender pay gap reporting in the UK, again we see more men than women receiving a salary increase, but this is only marginal and appears to be closing: 71% of men and 64% of women received a salary increase in 2018, compared to 73% of men and 72% of women in 2019. In addition, for those who received a salary increase yet again it was higher for women (5.6% of salary) than for men (5.1%).

Our reporting highlights an apparent widening of the gender pay gap at the top levels of seniority, with narrowing in the mid-levels, and it is hoped that as gender pay gap reporting takes hold we will see

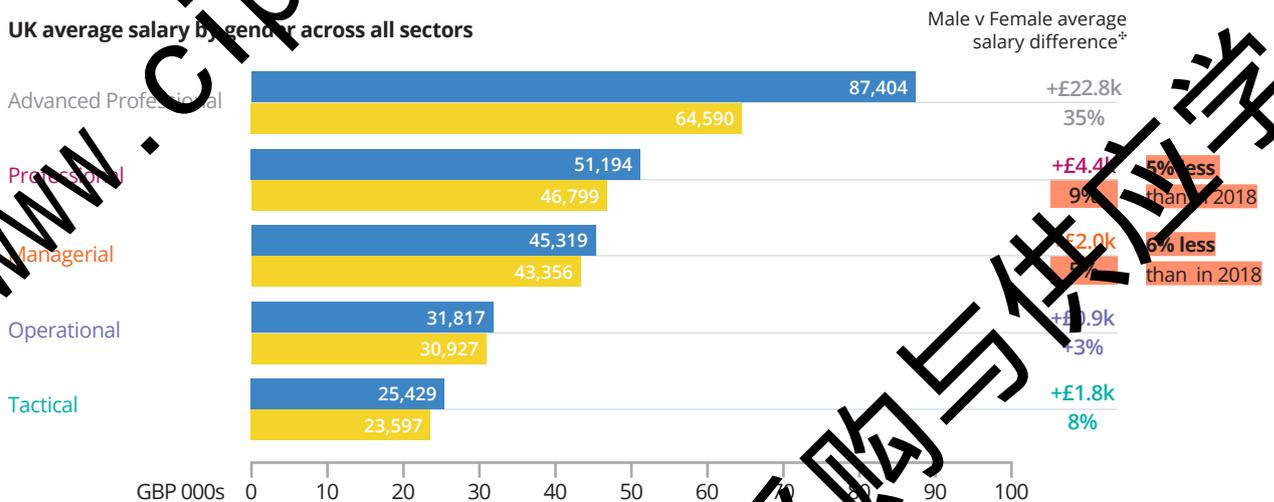
a greater reduction in disparity from the bottom upwards. The most striking disparity remains at Advanced Professional level, where the pay gap has widened by 2% since 2018 to 35%. At Managerial level, where most professionals achieve their MCIPS membership, pay disparity narrowed by 6% to 5% and it was lowest at Operational level, at 3% on average.

Despite men earning more than women on average at all levels of seniority, there were a number of roles at Operational and Tactical levels where women earned more than men, including Procurement Executive, Contracts Officer, Supply Chain Planner, Procurement Analyst and Purchasing Assistant.

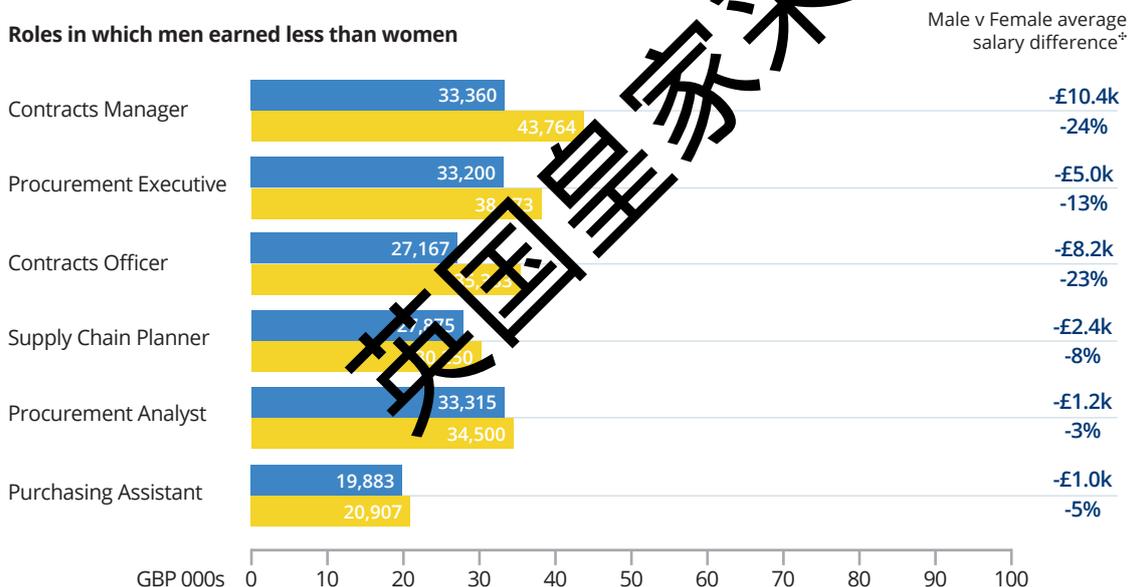
Average salaries at Managerial level



UK average salary by gender across all sectors



Roles in which men earned less than women



Understanding the procurement gender pay gap

It's clear that much more needs to be done to ensure that women are progressing into senior roles in procurement, and that they are paid commensurate to their male counterparts. That the pay gap has widened so much at Advanced Professional level shows action needs to be urgent and bold.

Identifying causes is the first step to taking action

The causes of the gender pay gap are wide and varied, even within sectors, and so it is important that each employer takes the time to look at their own data and diagnose the causes within their organisation. Before any action can be taken, employers need to understand whether women are just not applying for jobs in their organisation, getting stuck at a certain level, or if there is a lack of parity in pay due to a difference in the way that men and women negotiate their salary, or are women being lost at a certain stage, for example when returning from maternity leave. The most effective actions are those which seek to de-bias systems and processes, rather than making attempts to de-bias people.

Encouraging diversity in the recruitment process

When recruiting it is important to look at your job advert and assess whether it will appeal to both men and women. Some language choices can be off putting. It is important when putting together a shortlist of qualified candidates to make sure that more than one woman is included. Evidence shows that shortlists with only one woman do not increase the chance of a woman being selected.

Use structured interviews and follow the same format for all candidates. Unstructured interviews are more likely to allow unfair bias to creep in and influence decisions. Rather than relying solely on an interview, ask candidates to perform tasks that they would be expected to perform in the role that they are applying for. This increases the likelihood of appointing the best candidate rather than the most confident candidate.

Evidence shows that women are less likely to negotiate their pay. This is partly because women are put off if they are not sure about what a reasonable offer is. Employers who clearly communicate a salary range on offer encourage women to negotiate. It helps an applicant know what they can reasonably expect and stops pay discrepancies at senior levels.

It is important as well to be transparent and open about pay and reward processes, policies and criteria for decision-making. This means that employees are clear about what is involved, and that managers understand that their decisions need to be objective and evidence based, because those decisions can be viewed by others. Introducing transparency to promotion, pay and reward processes can reduce pay inequalities.

The importance of acting now to reduce inequality

While the vast majority of people understand that championing gender equality is the right thing to do, and that economic empowerment is just as important for women as it is for men, there is still a long way to go before it translates into action. Strong and decisive action is needed to stop the massive waste of talent and the injustice that continues while this disparity is in place. Diverse businesses are more effective businesses, so the case for this continues way past what is morally right. All employers should be aware about their pay gap, their analysis of the cause and the action that they are taking to deal with it, otherwise we can expect to see this pay gap number continue to grow.

Elysa McCaffrey

Deputy Head of GEO
and Head of Gender
Government Equalities Office

Salaries

by gender and sector

4% AVERAGE GENDER PAY GAP
Private Sector
Managerial level

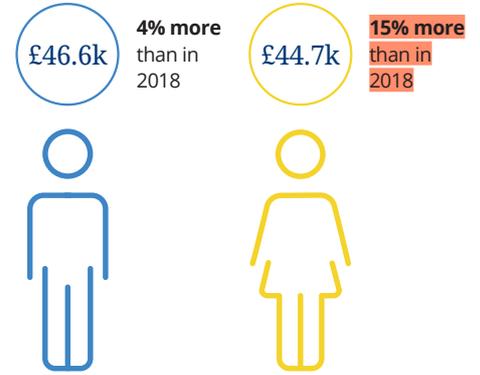
11%
decrease
since 2018

As identified in previous reports, we continue to see a pay gap in the profession. However, this year we have observed a notable narrowing of gender pay disparity in the Public Sector at Professional level and in the Private Sector at Managerial level: both have **reduced by 11%** since 2018.

The biggest pay gap is seen in the Private Sector at Advanced Professional level, where men earned 46% more than women, a 3% increase from 2018. In the Public Sector, the biggest pay gap was also at Advanced Professional level, with men earning 21% more than women in a dramatic increase of 17% since 2018.

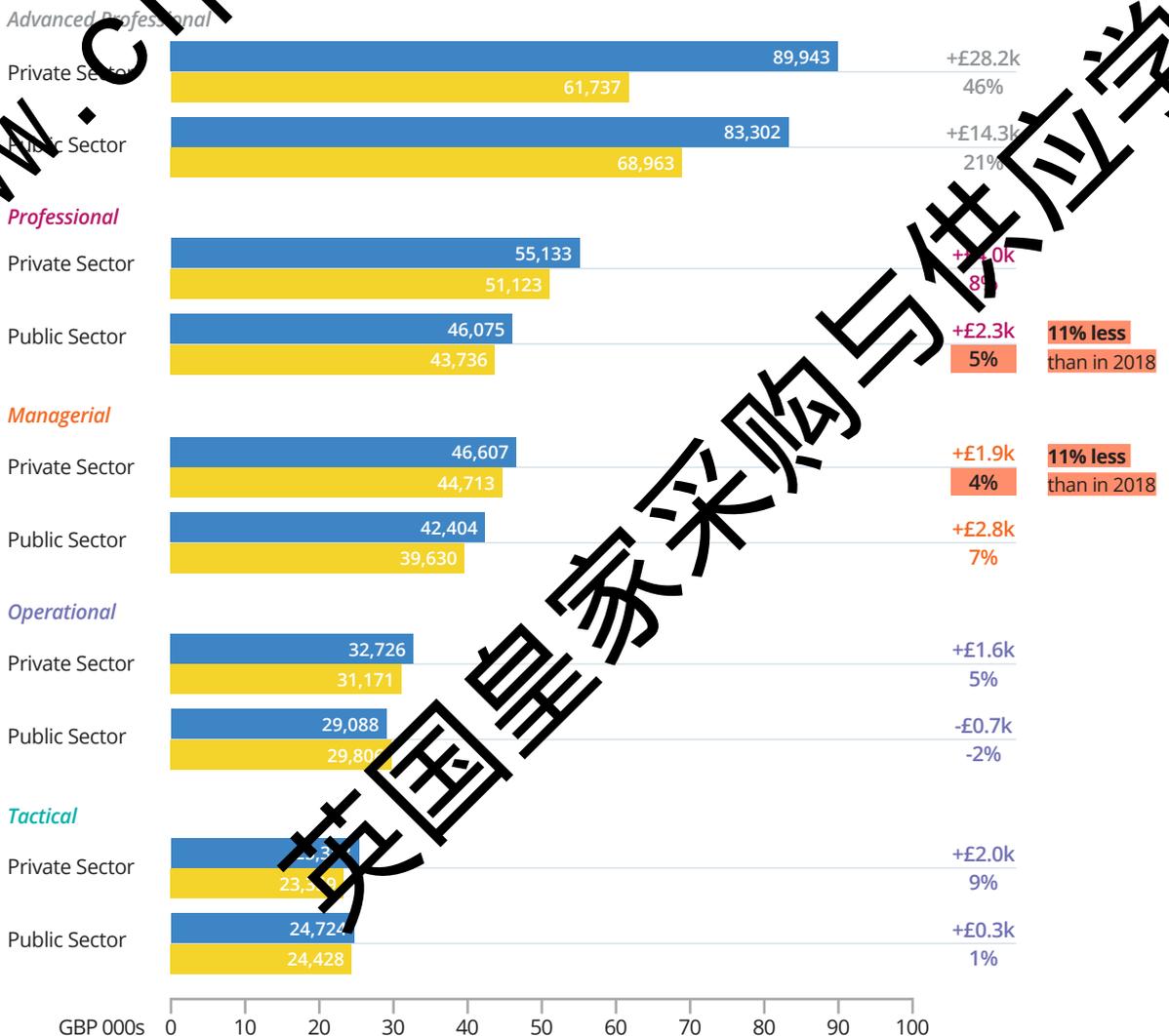
At other levels of seniority, pay gaps were not as pronounced in either sector.

Average salary Private Sector Managerial level



UK average salaries by level, gender and sector

Male v Female average salary difference*



Bonuses by seniority

25.3%
BONUS AS % OF SALARY
Chief Procurement Officers

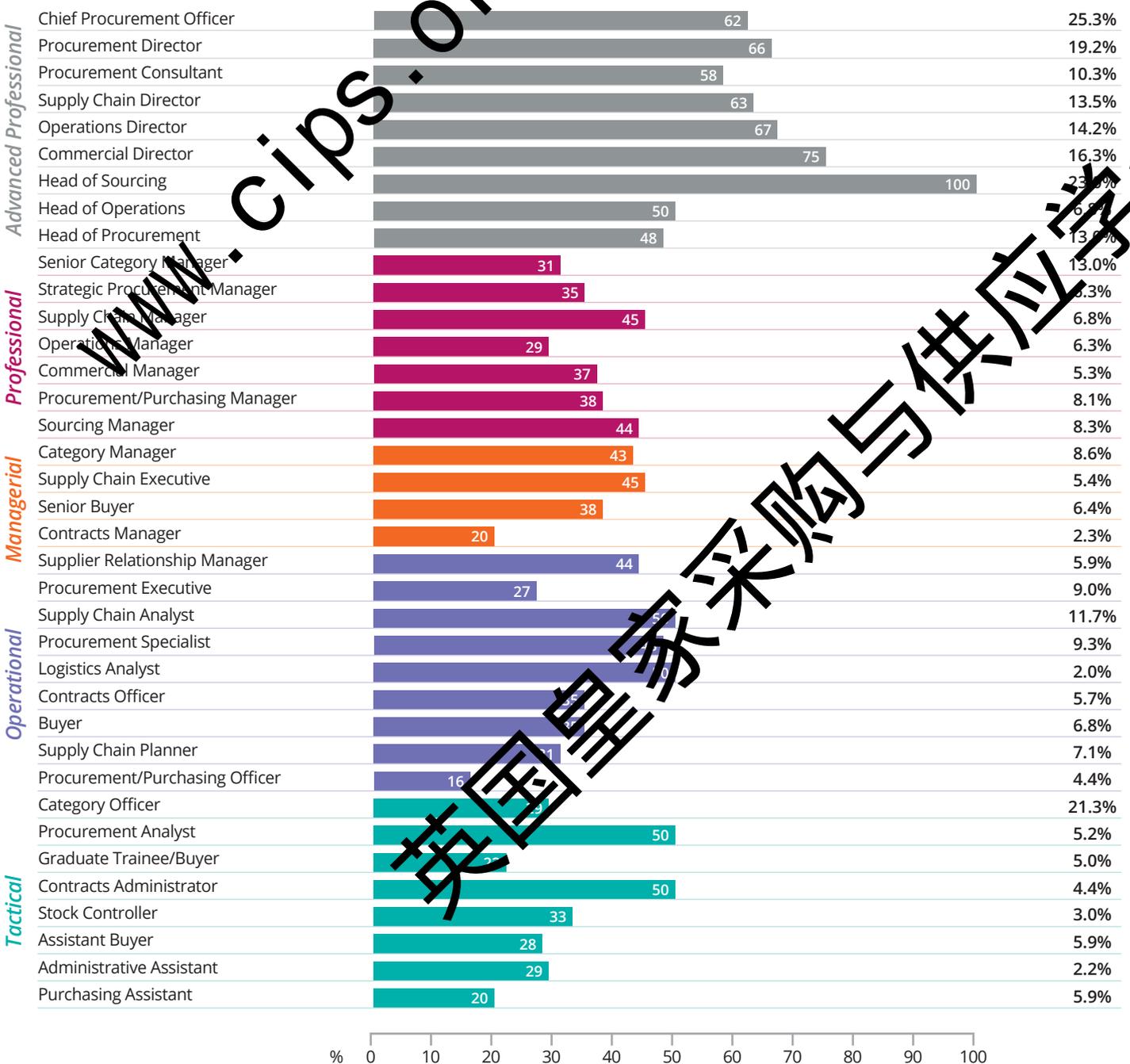
The most substantial increase in the number of professionals receiving a bonus was at **Tactical level, rising by 4% to 25%** while the largest decrease was at **Professional level, 9% less than in 2018 at 37%**. The size of bonus increased at **Operational and Tactical levels but reduced at Advanced Professional, Professional and Managerial levels. The largest increases in the number of professionals receiving a bonus were for: Procurement Consultants (from 30% in 2018 to 58%), Procurement Specialists (from 32% to 48%) and Assistant Buyers (from 15% to 28%).**

The largest increase in bonus size was for Procurement Specialists, with the average being 3.5% higher than in 2018 and constituting 9.3% of annual salary.

Both the number of professionals receiving bonuses and the size of those bonuses as a percentage of salary decreased since 2018: 38% received a bonus in 2019, compared to 41% in 2018. Average bonus was 9.2% of salary in 2019, 0.2% less than in 2018.

Breakdown of bonuses received by seniority

Average bonus as a % of salary*



Bonuses

FCIPS v non-FCIPS

across all sectors

21% BONUS AS
% OF SALARY
Received by
FCIPS

2%
increase
on 2018

Professionals with the highest level of CIPS membership, FCIPS, continue to be more likely to receive a bonus and for that bonus to be a higher percentage of salary than non-FCIPS.

In 2018, the average bonus size differential for FCIPS and non-FCIPS was 9%. In 2019, this increased by 2% to 11%: FCIPS bonuses increased to 21% of annual salary while non-FCIPS bonuses remained at 10%.

FCIPS (on average overall)



Non-FCIPS (on average overall)



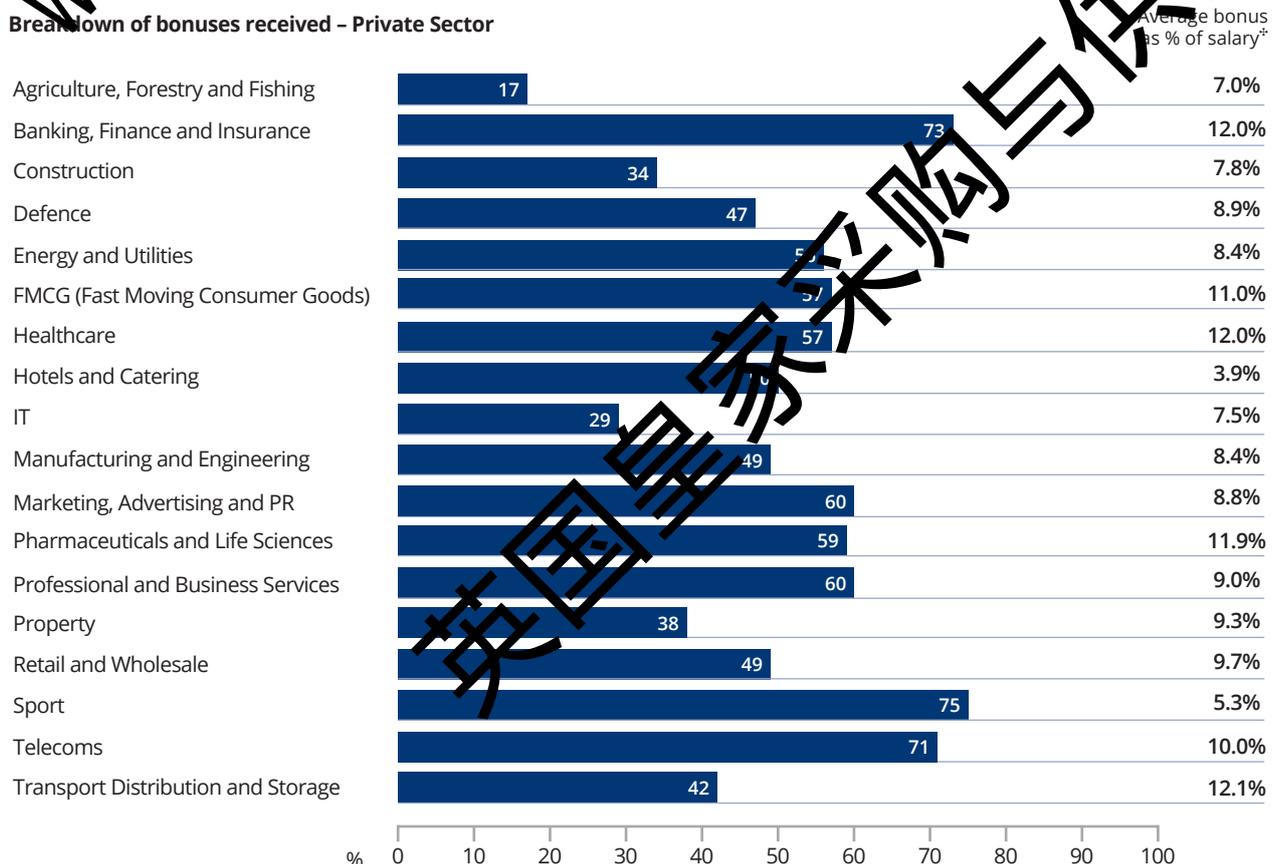
By sector and industry - Private Sector

51%
RECEIVED A BONUS
Across the
Private Sector

As we have seen in all our previous reports, professionals in the Private Sector are most likely to be eligible to receive and actually receive a bonus. They also received the highest bonuses at 9.5% of annual salary on average.

The top performing Private Sector industries were Sport with 75% of professionals receiving a bonus, Banking, Finance and Insurance (73%), and Telecoms, 71%. Notable increases in incidence of receiving a bonus were seen in Marketing, Advertising and PR (up by 15% since 2018) and Defence (up by 10%).

Breakdown of bonuses received - Private Sector



By sector and industry – Public Sector

16%

RECEIVED A BONUS
Across the
Public Sector

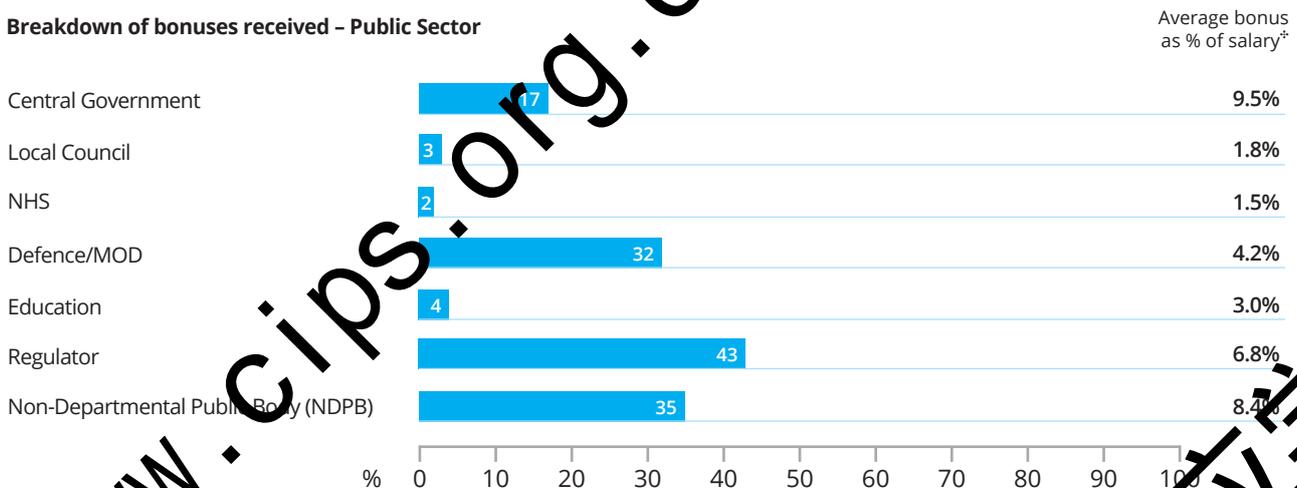
The average bonus size was **7.7% of annual salary** for the whole sector, an increase of 3.1% to narrow the gap with the Private Sector.

Central Government have seen the largest bonus size in the Public Sector at 9.5% as they seek to attract highly skilled procurement professionals due to transformation

initiatives requiring more complex procurement skills that command greater remuneration.

However, it is the Regulator industry that has seen the largest proportion of professionals receiving a bonus at 43%, although this was a substantial decrease since 2018's figure of 69%.

Breakdown of bonuses received – Public Sector



By sector and industry – Charity/Not For Profit

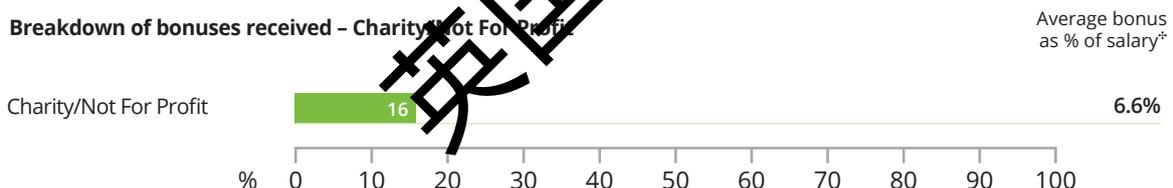
16%

RECEIVED A BONUS
Across the
Charity/Not For Profit

In the Charity/Not For Profit Sector, bonus sizes were at the lowest of all the sectors at **6.6% of annual salary** on average, although this was still an increase of 2.9% compared to 2018.

The Housing Association industry saw an increase in the number of professionals receiving a bonus and an increase in the size of bonus, while the Charity industry saw a dramatic decrease, with no respondents saying that they received a bonus.

Breakdown of bonuses received – Charity/Not For Profit



Bonuses

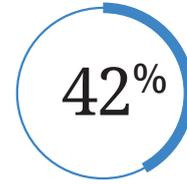
by gender and region

8.1%
BONUS AS AVERAGE
% OF SALARY
received by women

As we have observed in our previous reports, more men than women are eligible for, and actually receive a bonus. However, in 2019 we are pleased to see that this **gap has narrowed by 3%**. The gap in the size of bonuses received by men and women has closed slightly since 2018. While men's bonuses decreased from 10.8% of salary in 2018 to 10.0% in 2019, **women's bonuses increased from 7.0% in 2018 to 8.1% in 2019**, closing the gender gap in bonuses received by almost 2%.

The largest proportion of professionals receiving a bonus was seen in London, the South West, the West Midlands and the North East averaging 43% or more in each region. The South West in particular saw the largest increase since 2018 of 10%. The highest bonuses were paid in London, at 13.1% of basic salary on average, and the East of England, at 10.5% of salary.

More men than women received a bonus

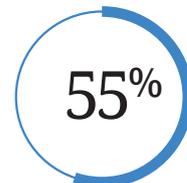


4% less than in 2018

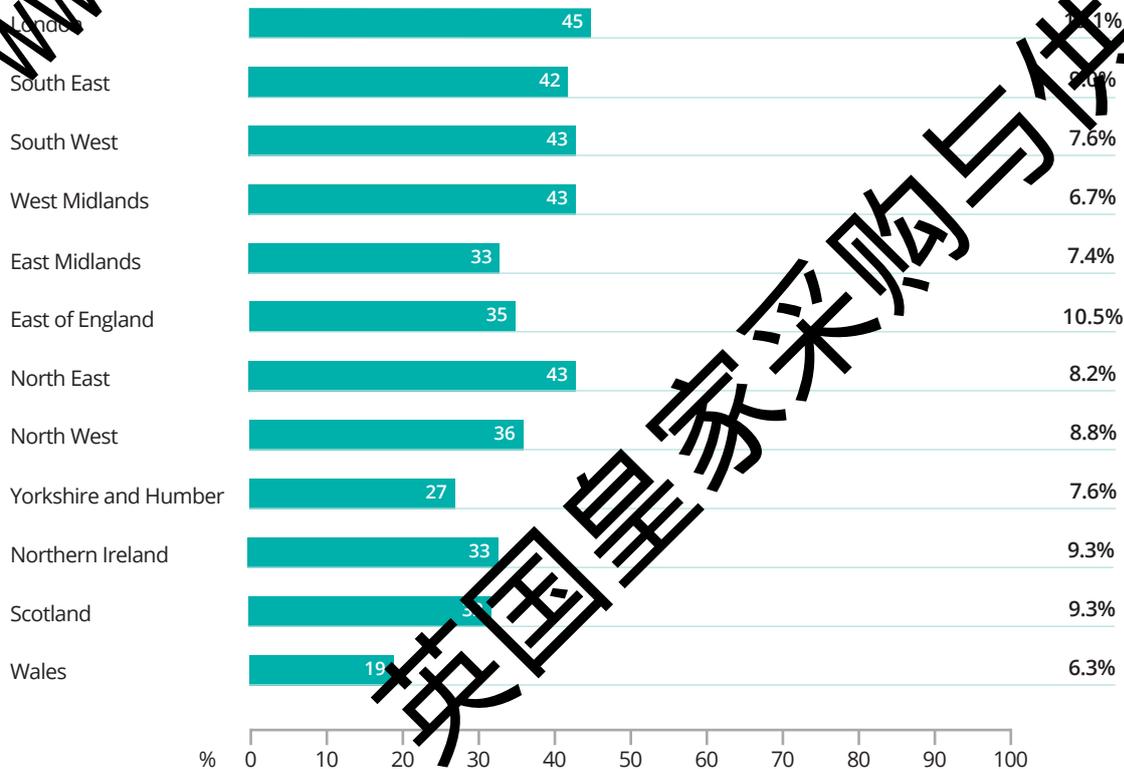


1% more than in 2018

More men than women eligible to receive a bonus



Breakdown of bonuses by region



Building a More Diverse Workforce and Inclusive Workplace

Improving diversity and inclusion (D&I) within the workplace has increasingly become a top priority for many procurement leaders, but the road to becoming truly diverse and inclusive can be long and complex.

As leading recruiting experts, Hays is very often the bridge between the world of work and the talent it seeks. Given the breadth and depth of our recruitment operations, we are uniquely placed to secure insights, provide employers with hiring advice and effect positive change across a range of industries. We have begun our own D&I journey, leading us to achieve the National Equality Standard (NES), one of the UK's most rigorous and prestigious accreditations for equality, diversity and inclusion (ED&I).

The case for improved D&I in procurement

There are many benefits to building a more diverse and inclusive workplace, and there are several actions that employers can take to improve the attraction, selection and retention of diverse talent. For the first time in this year's CIPS/Hays Procurement Salary Guide and Insights 2019 survey, we explored the topic in more detail.

The results showed more than 90% of both men and women agreed that a diverse and inclusive workplace culture can:

- Encourage greater creativity and innovation in their team
- Help employees to reach their full potential
- Create a more attractive place to work for prospective candidates, which in turn increases access to skills from a wider talent pool

Over 80% of men and women also agreed that a diverse and inclusive workplace culture improves team productivity and helps to improve staff retention. This is especially important to note as employers struggle with prevalent skills shortages amidst an uncertain economic and political climate.

Still room for improvement

Despite these clear benefits, employers still face challenges in turning what they know into action within a day-to-day business context. For example, when assessing the existence of several well-proven steps which can assist the delivery of more diverse and inclusive recruitment outcomes, our survey showed that:

- Over a third of organisations surveyed said to not do use language which is purposefully unbiased to describe their vacancies, organisation and culture
- Only just over half of respondents told us that the imagery and branding in their recruitment materials reflects a diverse workforce
- Over a third of women and a quarter of men said they do not believe their organisation proactively works to source diverse candidates when hiring
- Issues also exist during the interview process – when we asked employers whether they ensure that their interview panels are diverse, only 28% agreed.

How to incorporate D&I into hiring processes

Organisations that proactively source diverse candidates when hiring stand to benefit from being more likely to attract professionals from a wider range of demographics and therefore access a broader pool of talent.

Hays conducted their own survey of over 9,300 professionals, and the resulting Hays Diversity & Inclusion Report 2018 examines the current maturity of D&I priorities, practices and behaviours in organisations. The report also offers practical advice to support more diverse and inclusive workplaces and recruitment outcomes, which can be applied to hiring more diverse procurement teams:

1. Start by being self-aware

Leaders and managers must 'lead from the front', learning to recognise their own unconscious biases and implementing regular training for managers to mitigate the impact of these biases when it comes

to hiring. Doing so enables leaders to be authentic champions for better diversity and inclusion in their organisation.

2. Review your recruitment materials

The words and phrases you use in a job description and person specification can have a significant impact on whether or not a professional applies for a role. Review them for any biased language and ensure a wide range of social groups are depicted in your recruitment materials. Include statements about your organisation's commitment to D&I and don't forget to add a line that encourages applicants from all backgrounds to apply.

3. Maintain diversity throughout the selection process

Continue having a heightened awareness of the potential impact of bias by including diverse stakeholders when reviewing and selecting CVs or application forms as well as when interviewing. You could also consider not taking 'blind' decision-making (where identifying criteria are removed from applications and CVs) during the shortlisting process so that choices are made based solely on the required skills and competencies of each candidate.

Everyone deserves to work in a safe, supportive and respectful environment.

Despite progress being made to improve D&I in many workplaces, there is still plenty more to be done. Taking the time to ensure D&I is understood, introduced and embedded into your own hiring and selection processes is a good step towards building a more diverse and inclusive workplace in your own organisation.

Yvonne Smyth

Group Head of Diversity and Inclusion
Hays

Benefits

sector and gender

Flexible working

MOST COMMONLY RECEIVED BENEFIT

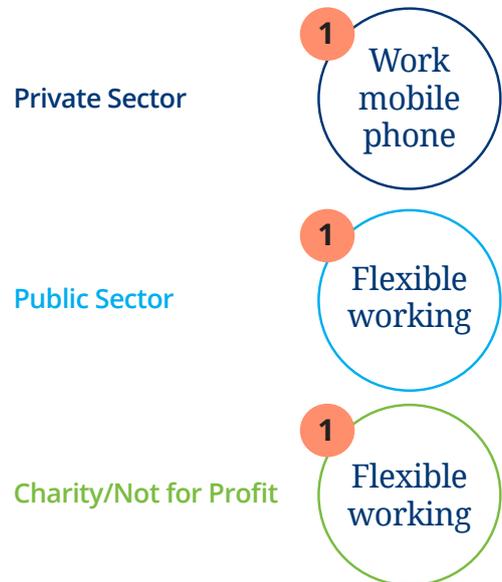
Public and Charity/Not For Profit Sectors

The top benefits our respondents received in 2019 remain unchanged since 2018. Work mobile phone, life assurance/death in service benefits, above statutory pension contributions and flexible working were among the top five benefits received across all sectors. Flexible working was far more prominent in the Public and Charity/Not For Profit Sectors, while work mobile phone and private medical insurance were the most common in the Private Sector.

Professional body membership fee was within the top five benefits in the Public and Charity/Not For Profit Sectors, continuing to reflect the value of MCIPS to recruiters and employers as a mark of performance and reliability. Support for study/career development was also among the top benefits received in these sectors.

Please note, these findings reflect the benefits that are received rather than demanded. It is still essential for employers to tailor their benefits packages to offer the benefits professionals value most highly in order to attract and retain the best talent.

Most commonly received benefit by sector



1 Most commonly received	Private Sector		Public Sector		Charity/Not For Profit	
	Male	Female	Male	Female	Male	Female
Above statutory pension contributions	5 44%	-	2 50%	2 44%	2 59%	4 45%
Car parking	-	4 43%	-	-	-	-
Flexible working	4 48%	5 42%	1 73%	1 78%	1 66%	1 63%
Life assurance/death in service benefits	3 52%	2 46%	6 82%	6 34%	2 59%	4 45%
Private medical insurance (PMI)	2 55%	3 45%	-	-	-	5 37%
Professional body membership fee	6 42%	-	4 44%	3 43%	4 47%	2 55%
Support for study/career development	-	6 40%	5 35%	4 42%	3 50%	-
Work mobile phone	1 65%	1 61%	3 47%	5 40%	4 47%	3 53%

Benefits

seniority and gender

Work mobile phone

MOST COMMONLY RECEIVED
at senior levels

We continue to see that as seniority increases so does the likelihood of receiving most of the top benefits. The only notable exception is support for study/career development which decreases with seniority. However, this benefit has seen a particularly significant increase for women at Tactical and Operational levels since 2018, demonstrating a continued focus on investing in the future of the procurement profession through professional training such as CIPS qualifications.

The number of professionals having their professional body membership fee paid by their employer increased at Professional and Managerial levels by 11% and 9% respectively. The increase was more pronounced for women than men (14% vs 9% respectively at Professional level and 14% vs 5% at Managerial level). Flexible working, which can encompass a number of options such as location, variable hours and job sharing, increased for all levels of seniority, with the largest increase seen at Professional level (15% more than in 2018).

1 Most commonly received	Advanced Professional		Professional		Managerial		Operational		Tactical	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Above statutory pension contributions	4 57%	5 48%	4 48%	5 43%	4 49%	4 47%	5 38%	4 41%	5 25%	-
Buy or sell holidays	-	-	-	-	-	-	-	-	5 25%	-
Car parking	-	-	-	-	-	5 43%	2 43%	4 41%	3 34%	3 33%
Childcare vouchers	-	6 43%	-	-	-	-	-	-	-	-
Flexible working	4 57%	2 63%	2 65%	1 68%	2 54%	2 57%	1 50%	2 49%	1 48%	2 42%
Life assurance/death in service benefits	2 63%	3 57%	-	4 48%	3 50%	5 44%	4 39%	5 39%	4 27%	-
Private medical insurance* (PMI)	3 61%	-	5 44%	-	6 41%	-	-	-	-	-
Professional body membership fee	5 53%	4 49%	3 50%	3 52%	3 48%	3 50%	-	-	-	4 29%
Retail/discount vouchers	-	-	6 52%	-	-	-	-	-	5 25%	5 27%
Support for study/career development	-	-	-	-	-	-	3 40%	2 48%	2 36%	1 44%
Work mobile phone	1 81%	1 73%	1 66%	2 60%	1 62%	1 67%	3 40%	3 42%	3 34%	5 27%

Recruitment

by sector and seniority

67% OF EMPLOYERS REQUEST MCIPS (OR STUDYING TOWARDS) when recruiting at the Tactical level

26% increase on 2018

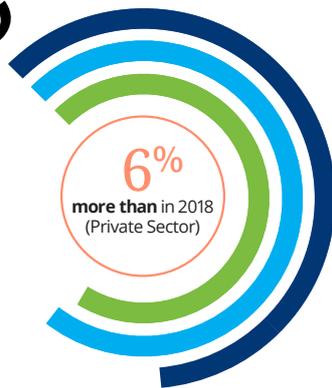
As procurement continues to be increasingly recognised as a strategic function within businesses, we see more employers than ever appreciating the value of MCIPS as a mark of professionalism and performance. Particularly high percentages of employers in the Public and Charity/Not For Profit Sectors stated MCIPS (or studying towards) as a preference when recruiting. There was also a 6% increase in Private Sector employers expressing a preference for MCIPS, up to 61% in 2019 and the most substantial increase among the three sectors. The Public Sector saw a 7% increase of employers giving further consideration to those with FCIPS.

As in 2018, MCIPS was more likely to be requested as a preference when recruiting for more senior levels. However, there was yet again an increase, from 41% to 67%, in the proportion of employers requesting MCIPS (or studying towards) when recruiting at the Tactical level. At this level, MCIPS (or studying towards) is particularly attractive to prospective employers as it demonstrates a commitment to the profession and willingness to learn.

66% will request MCIPS (or studying towards) as a preference across all sectors 5% more than in 2018

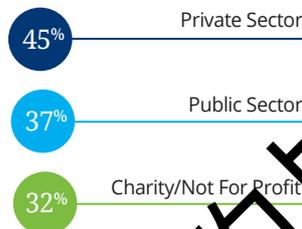
MCIPS

Employers agreed when recruiting for the next role MCIPS (or studying towards) would be requested as a preference from candidates



FCIPS

Employers agreed that further consideration would be given for candidates with FCIPS



MCIPS (or studying towards) desirability in recruitment by seniority



Interims

Examining the position and importance of interim professionals within the procurement profession, including where they work, what kind of projects they work on and how they are remunerated.

In our current time of economic uncertainty, it is perhaps unsurprising that employers should postpone decisions to recruit into permanent positions and add to overheads.

This has led to a positive market for interims in recent years who continue to be most commonly assigned to change and transformation projects, particularly within Central Government. We also continue to see a move to shorter contracts, in particular contracts of one to three months, although interims may of course work on a number of rolling contracts with one employer.

section

“The interim market has remained busy over recent months and opportunities are widely available. With skills shortages still prevalent for procurement employers, many continue to turn to the skills and flexibility of interims to deliver on projects. Interims can therefore make the most of the buoyant market and demand the best possible rates for their work.

The demographics of interims will continue to shift in the coming years. An ageing population and more professionals working for longer than ever before means that staying in a job for life is no longer a reality for many. As a result, we are likely to see more professionals who have worked in permanent roles for the majority of their careers choosing to make the move to interim roles, taking their experience and skills with them. We may also see a younger generation of interims emerge who want to be more in control of their careers; something that interim positions are able to provide.

Scott Dando

Director
Hay, Procurement & Supply Chain

Interims

by roles

36% OF INTERIM RESPONDENTS WORK ON change and transformation projects

5% increase on 2018

Continuing the trend of the last three years, the most common project for interims was change and transformation projects. The 5% increase in this figure may be due to an increase in such projects within Central Government.

Over the past year businesses explored various scenarios in preparation for Brexit. We continue to see an increase in the number of interims working in category management implementation (up by 5% from 2018), and strategy and performance (up by 4%). Strategic sourcing exercise assignments for interims declined by 8% since 2018, but we are expecting to see a rise in these once category management implementation and strategy and performance assignments have been completed.

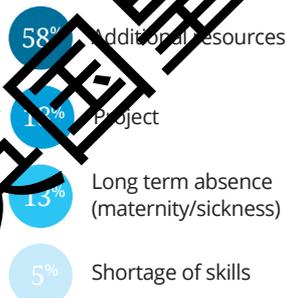
As in 2018, the most common reason for recruiting interims in the Private and Public Sectors was as an additional resource. This was particularly pronounced in the Public Sector, with 8% more respondents citing this as a key reason than in 2018. The most common reason in the Charity/Not For Profit Sector was for a specific project, with the proportion citing this as a reason increasing by 25%.

This year we continue to see a shift to shorter contracts, with a marked tendency towards contracts of between three and twelve months. Contracts of one to three months increased from 18% to 24%, and there was an 8% decrease in contracts of six to twelve months. However, it is probable that interims stay with one employer for longer by working on several back-to-back short contracts.

Brexit will no doubt play a role in interim hiring in the months ahead. However, our survey shows that employers are continuing to recruit interim professionals as usual to undertake ongoing projects. While employers often hire interims for their specific technical skills, interims should bear in mind the importance of having a strong set of soft skills too. Employers often look for interims with strong stakeholder management skills who interact well with other people and have a practical, hands-on approach.

Scott Dance
Director, Hays Procurement & Supply Chain

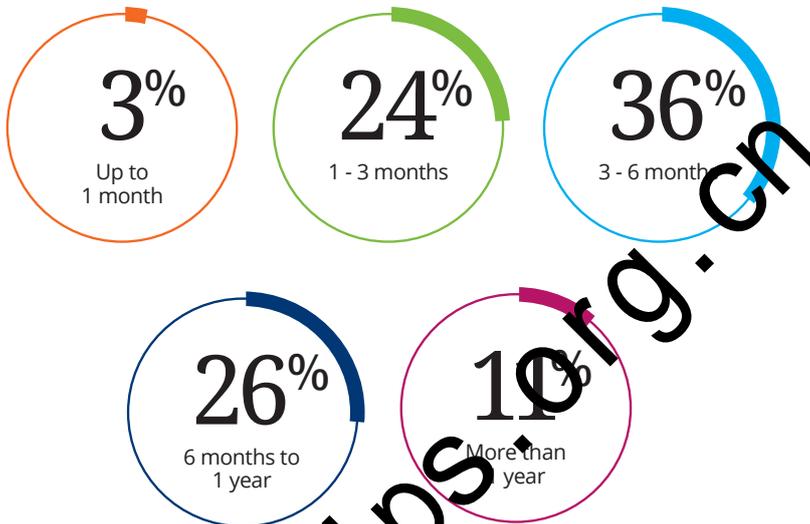
Reasons to recruit interims, by sector



Interims

duration and project type

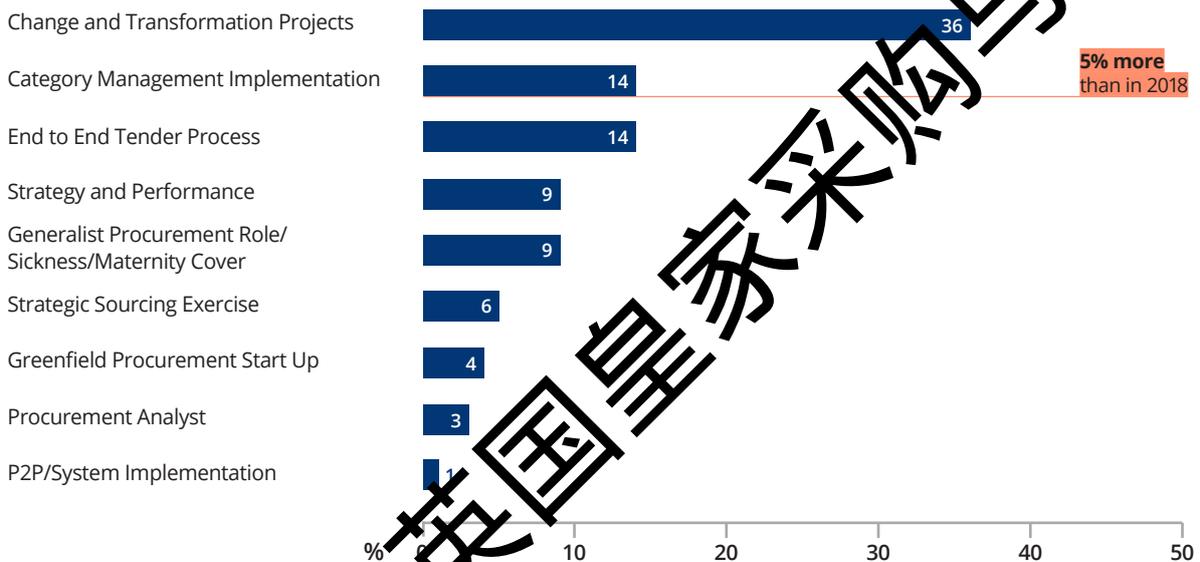
Duration of interim contract



Reforms to IR35 legislation in the Private Sector will be a leading factor impacting the interim market in the year ahead. IR35 reforms, which came into force in April 2017 for the Public Sector, are due to be extended to medium and large organisations in the Private Sector from April 2020. These reforms pass the responsibility for determining the tax status of all personal service company (PSC) interim workers to the hiring organisation, including potential liability for tax and national insurance contributions. Employers in the Private Sector need to prepare to ensure they are not negatively affected by the changes. For further information about the upcoming changes and how you can prepare, visit hays.co.uk/IR35

Scott Dance
Director, Hays Procurement & Supply Chain

Reasons to recruit interims, by project type



Interims

where and why

Flexibility and variety of work/experience

main reasons to become an interim

Consistent with all of our previous reporting on interims, flexibility, variety of work/experience and pay continue to be the top three reasons for becoming an interim. However this year, with a **7% increase since 2018**, redundancy replaced experience as the fourth most common reason.

Redundancy from a permanent position offers an opportunity for professionals to take on an interim role and experience working in different areas of procurement which they may not have considered before. The benefits of taking on a contract position include increased control over their career and greater flexibility.

Again, interims tend to be older than those who are employed on a permanent basis:

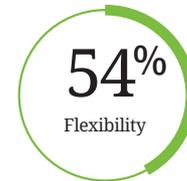
- 1% of interims are aged 25-29 years, compared to 18% of those working on a permanent basis
- 21% of interims are aged 56-65 years, compared to 6% of those working on a permanent basis

The number of interims aged 46-55 years increased from 38% in 2018 to 47% in 2019. Having acquired considerable experience, these professionals may be willing to take redundancy from their permanent roles and use the time during which they are supported by redundancy pay to launch their careers as interims to achieve more work-life balance. It may also be that such senior people are seeking the variety and new challenges that interim contracts can offer.

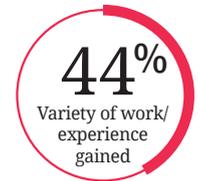
Most of our interim respondents were still based in London, and this has increased by 7% to 40% in 2019. The **North West saw the largest increase** in the number of interims to become the second largest region, as the Northern Powerhouse continues to enjoy much investment and require skilled procurement people to drive expansion in the region.

The number of interims stating that they would **only travel locally for a role increased** even more: 50% in 2017, 55% in 2018, and 67% in 2019. Meanwhile, there was a decrease in those willing to travel internationally or nationally, by 7% and 5% respectively.

Top four reasons to become an interim



2% more than in 2018



8% less than in 2018

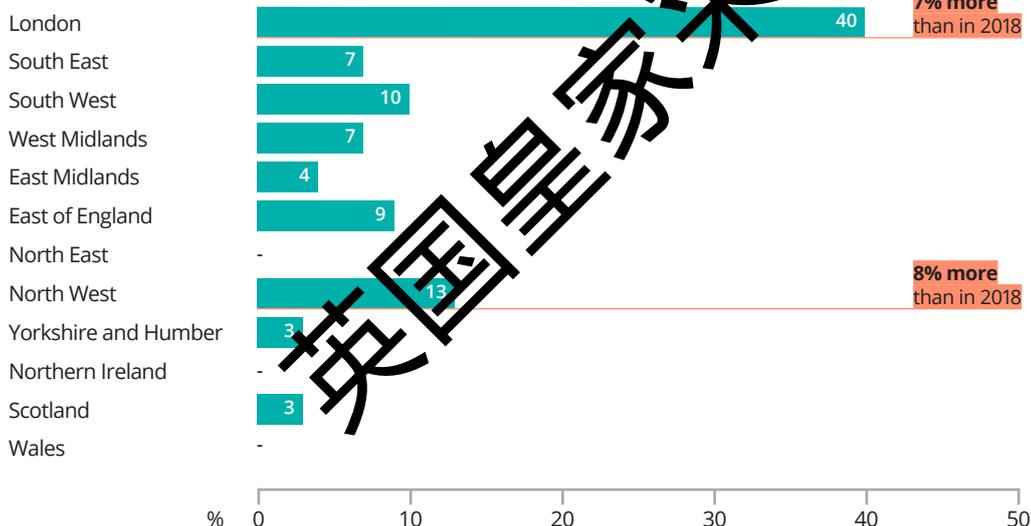


3% more than in 2018



7% more than in 2018
New reason for 2019

Interims by location



Interims

day rates

14% HIGHER
AVERAGE
DAY RATE
MCIPS interims

10%
increase
on 2018

Average day rates for the profession overall remained at the same 2018 level of £499. Day rates have increased in the Private and Public Sectors, from £553 to £566 and from £404 to £410 respectively. As ever, average interim day rates were highest in the Private Sector, while the largest increases since 2018 were for those working on category management implementation projects, by 15%.

In terms of gender, we observed a slight narrowing in the interim pay gap in 2019, with average day rates for men decreasing by 1% and for women increasing by 5%. Men, however, continue to be on higher day rates than women.

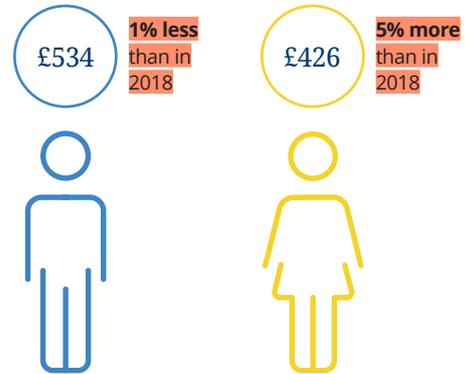
Average day rates for MCIPS interims were higher than for those without and in fact we have seen a greater MCIPS advantage than in 2018 (14% compared to 4%), mainly due to a decrease in non-MCIPS day rates. The importance of MCIPS is particularly pronounced for interims, as employers seek the reassurance of professional ability to achieve more and make high quality decisions in a relatively short time.

It is encouraging to see the gender pay gap closing slightly in the interim market, although there is a lot of work still to be done. Gender diversity in the workplace and, more broadly, equality, diversity and inclusion as a whole, is high on the agenda for many organisations. The benefits of having a more diverse and inclusive workplace are many, including better leveraging of teams and their skillsets, greater diversity of thought from different perspectives and improved staff morale. It is therefore imperative that organisations continue to work towards closing the gender pay gap, which will enable employers to tap into a broader pool of interim talent in this highly competitive hiring market.

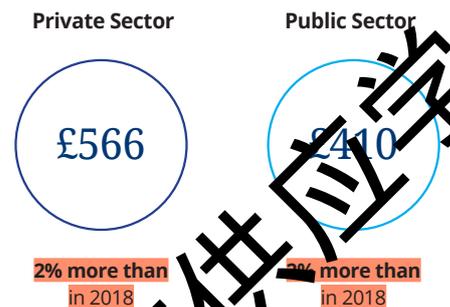
Interims also need to be proactive when negotiating their day rates. It's important to ask yourself how critical that piece of work is for the business when it comes to negotiations. If there is a real need for particular expertise interims will be in a good place to demand a better rate.

Scott Dance
Director, Hays Procurement & Supply Chain

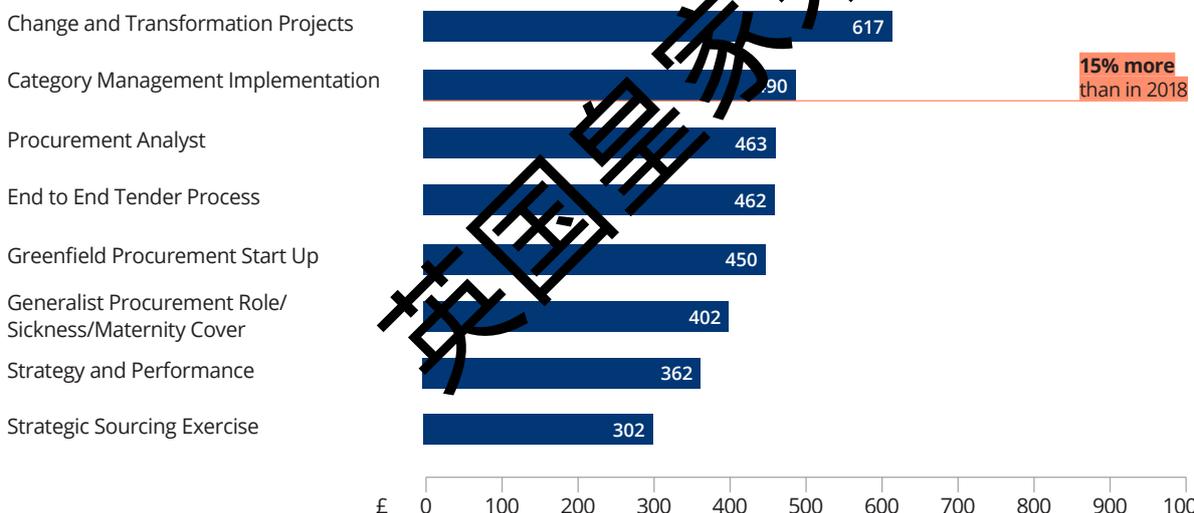
Interim average day rates by gender



Interim average day rates by sector



Interim average day rates by project



Taking the leap: how to take on your first interim role

Sourcefield Consulting Limited

The majority of Brian Phipp's career has been spent in permanent procurement roles, spanning the telecoms, pharmaceutical and transport industries, with his primary expertise being in HR and professional services, but also stretching across other areas of spend including marketing, facilities management and construction.

Managing the transition from permanent to interim

This changed in 2013 when his job of 11 years became 'at risk', causing Brian to opt to take redundancy, fully expecting to move seamlessly into another permanent role. However, he faced slow recruitment processes with four or five different stages for each application. During his search for his next permanent position, Brian was approached for an interim role, an option he had not even considered. He decided to take the leap and was quickly offered an interview for an HR and professional services interim role, followed by an almost immediate offer and a fast on-boarding experience. Brian says that understanding his own mental wellbeing helped him to handle the transition to contracting: "This understanding meant I was able to show up to interviews without the insecure thoughts that may have caused me to question whether I would be able to do the job or what to do if I ended up unemployed for months. I was able to get on with the job in hand with a clear mind and it was easier to connect with new colleagues and stakeholders to gauge what was really needed in the role."

The challenges of being an interim

Of course, switching from a permanent to an interim role is not entirely simple. As Brian outlines, "One of the main challenges I faced was having to hit the ground running, usually with little or no handover, induction or training and often picking up a large work backlog. Having to quickly adapt to new organisations, sectors, cultures, ways of working and supply chains, and knowing you will then move to another contract and start over again."

"Another aspect to juggle is gaining an understanding from your client of whether you're just there to get things done, or alternatively, if your suggestions for other ways of working or reviewing business processes, etc, are welcomed."

Brian has identified ways to overcome these common challenges, including:

- Understanding where your psychological experience comes from. This helps you to work productively and creatively and makes it easier to connect with the varied personalities you inevitably work with in each new organisation.
- Reading up about the organisation's functions to familiarise yourself with their way of working.
- Meeting key stakeholders in the organisation, asking lots of questions and really listening to the answers.
- Being ready to quickly learn how things work in terms of getting things 'over the line', including what processes need to be followed and how previous activities were done.
- Being adaptable and developing your ability to engage and communicate effectively with different styles of management and personalities.

The benefits of being an interim

Despite the challenges, Brian feels there are many benefits to working as an interim. For example, interims get the opportunity to gain more experience, knowledge and skills by moving from project to project compared to staying in one company. Contracting lets you meet and build new relationships with a much wider variety of people. You can also often earn more money and have a lot more freedom in how you choose to allocate it, such as pension, training or healthcare. There is also the option to take time out between assignments, offering true work flexibility. The aspect that Brian enjoys most about being an interim is that he is running his own company: "There is nothing quite like having your own company. Even though I'm still in effect 'working' for big blue chip corporates, there's a dynamic that is very different when

you're not an employee, even when you've really integrated into a role/team and the client's environment."

Brian has drawn on numerous transferable skills from his time as a permanent professional including core capabilities built through the CIPS programme, especially negotiation skills and contract writing, as well as key learnings from employers' technical and cross-functional programmes. Having good sector experience was also a bonus, such as OJEU, working in regulated environments and within federated-type business models.

Interim roles will likely vary between cover for permanent roles and working on specific projects. Project management skills are therefore useful for those thinking about making the move. Softer skills are also essential, including communication and stakeholder management, to get you up to speed quickly when starting a new role and because in some organisations you may be seen, perceived, thought about or treated differently to permanent staff.

Ultimately, Brian did not consider becoming an interim until he decided to take redundancy from his long-term permanent job. Since switching to contracting, he has learnt that your peace of mind does not necessarily come solely from having a full-time job, which may be the reason holding some permanent professionals back from taking on that first interim role. His advice to professionals thinking about changing job is to consider the full breadth of options available to you and don't be held back by any fearful thinking, and who knows, you could soon become an interim yourself.

Brian Phipp MCIPS

Director
Sourcefield Consulting Limited

Procurement as a career

Exploring how employers and employees view procurement as a career, including issues around attracting and retaining talent, and identifying when and why individuals choose to move employers, by age and gender.



www.cips.org.cn

section

The disconnect between increasing employer demand for procurement talent and a continued shortage of procurement skills continues. This is of course causing challenges for employers who are being forced more and more to seek transferable soft skills outside the profession and offer procurement-specific training; no bad thing as 'fishing outside one's pool' increases diversity and ideas-generation within teams. On the other hand, the war for talent gives qualified professionals a real edge and bargaining power in the employment market, and makes procurement an increasingly attractive choice for career starters and changers.

As Brexit uncertainty continues, it is hard to predict the future impact on procurement functions, although skills requirements are likely to change and internal stakeholder management in particular will be key to maintain influence and perceived value in stormy waters. Individuals would do well to keep pace with such demand

for different skills, created by wider events such as Brexit as well as the rapid pace of technology developments, by ensuring their own professional development continues through, for example, CIPS qualifications, CPD and Chartered status*. It is also a chance to be recognised for your career achievements and continue your learning journey via CIPS Management Entry Route (MER), through which senior professionals may qualify for MCIPS without the need for further study.

"Since I was awarded MCIPS via MER, I have now progressed to Chartered status, an additional way to demonstrate my commitment to the profession and professional development. I had lots of positive feedback from other procurement professionals once I was awarded MCIPS. I am now working with my management team to successfully undertake the MCIPS MER path and we are adding MCIPS to the position description for our senior procurement professional roles."*

MER candidate, 2018

"As we operate in a disruptive world, organisations must manage existing skills shortages and preparations to ensure they have the right skillsets for a changing future. Our survey results show that employers continue to face hiring challenges, especially when trying to find the right candidates with the right skills. Employers should therefore take the time to properly draft job and person specifications to help find the right professional – consider exactly which skills are lacking in your current team before drafting the job specification and be sure to include information about the organisation's culture as well.

Jobseekers must be proactive and upskill to remain in demand in a changing market. Upskilling can include undertaking CIPS courses, in-house training and online courses. Stay up-to-date with the latest legislation and consider future trends for the long-term, not just the short-term. Networking is another way to develop your skills and expertise – attend conferences, industry events and networking groups whenever possible to continue to build your knowledge base."

Scott Dance

Director
Hays Procurement & Supply Chain

Employers' perspective by sector

65% OF MANAGERS are expecting to hire in the next 12 months

5% increase on 2018

After a slight dip in 2018, this year we saw an overall **5% increase** in the number of employers looking to hire new procurement staff in the next 12 months. Despite uncertainty around Brexit, this increase was seen across all three sectors and was particularly pronounced in the Charity/Not For Profit Sector, where 71% of employers were looking to hire new procurement staff in the next 12 months, an **increase of 16% on 2018**. The Public and Private Sectors both saw increases of 4%.

The top three industries expecting to recruit in the next 12 months are:

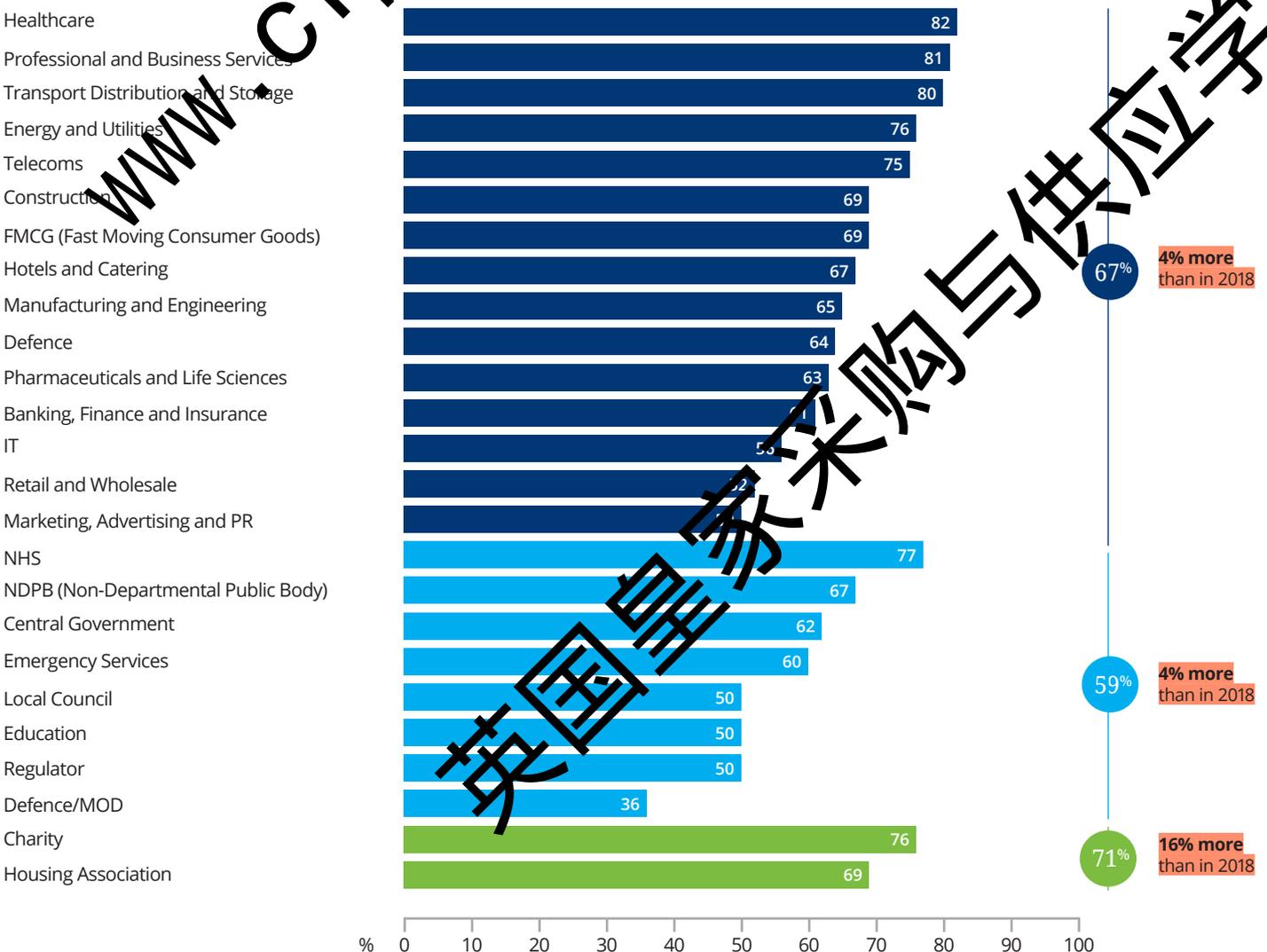
- In the Private Sector: Healthcare (82%), Professional and Business Services, including Legal and Consulting (81%), and Transport, Distribution and Storage (80%). All were new entries to the top three in 2019 and saw the largest increases since 2018 of 32%, 15% and 10% respectively
- In the Public Sector: NHS (77%), NDPB (67%) and Central Government (62%). NHS and NDPB saw the most dramatic increases since 2018, of 22% and 23% respectively.

There was a large increase in the number of employers expecting to recruit in the next 12 months in both of the Charity/Not For Profit Sector industries: a 23% increase in Charity and a 36% increase in Housing Associations.

The largest declines in employers seeking to recruit were:

- In the Private Sector: Defence at 64%, down by 18% since 2018
- In the Public Sector: Defence/MOD at 36%, down by 11% since 2018.

All industries' expectation to recruit



Employers' perspective finding talent

56%

FACED CHALLENGES IN FINDING
THE RIGHT TALENT
in the previous 12 months

The demand for procurement skills remained high in 2019. 56% of procurement professionals with responsibility for recruitment stated they struggled to find the right talent in the last 12 months, the same amount as in 2018.

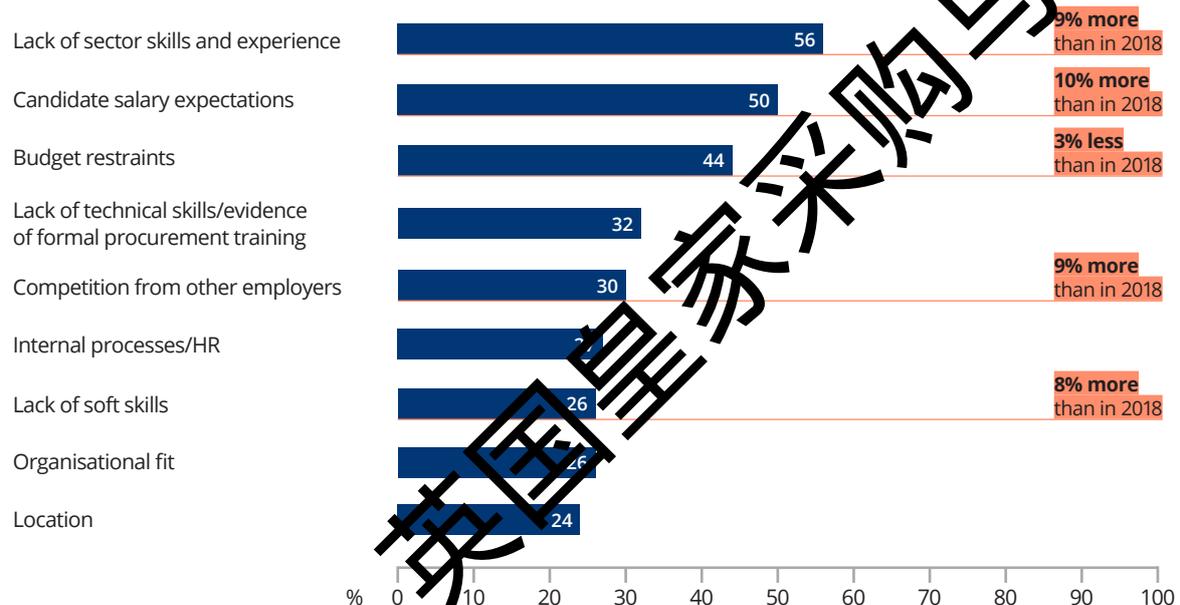
Lack of sector skills and experience, candidate salary expectations and budget restraints continue to be cited as the top three challenges for employers, with candidate salary expectations seeing the largest increase in a jump from 40% in 2018 to 50% in 2019. Salary expectations can be very high, especially when a candidate has access to a wide pool of job opportunities, and when demand is high and skills are in short supply.

Other notable increases were seen for lack of sector skills and experience, and competition from other employers (both up by 9%), and lack of soft skills (up by 8%). As we have identified in previous reports, such challenges continue to emphasise the importance of investing in talent retention strategies, building procurement teams from within and succession planning.

This year, our survey shows a higher percentage of employers who plan to hire in the next year compared to the year prior. However, skills shortages remain as widespread as ever, with over half of employers saying they have continued to face challenges finding the right talent in the last 12 months. With skills shortages prevalent, employers can also consider the journey a candidate must take to apply for a role with their organisation, from the initial application through to the job offer. Is it easy for a candidate to apply or must they fill in a long online form? How many rounds of interviews must they undertake and how long will they wait for a written job offer after their final interview? These are just some of the touchpoints where employers can lose out on candidates due to overly long or complicated processes. Improving these will raise the chances of you being able to find the right person for the role.

Scott Dance
Director, Hays Procurement & Supply Chain

Challenges in recruiting the right talent



Attracting and retaining talent

Clifford Chance

Clifford Chance is one of the world's pre-eminent global law firms, with significant depth and a range of resources across five continents. As a single, fully integrated, global partnership, we pride ourselves on our approachable, collegial and team-based way of working.

Clifford Chance Procurement was proud to be shortlisted for two CIPS Supply Management Awards in 2018; for Step Change Improvement and Young Professional of the Year (Danielle Douglas MCIPS).

The challenge

Clifford Chance Procurement aspires to be the leading legal procurement team through maximising the value the firm derives from its suppliers. To ensure success we require the combined efforts of a number of highly talented individuals. At the same time, high performing procurement professionals in the market are becoming increasingly aware of their value and are selective in where they choose to work, this makes attracting and retaining talent more challenging but also more important than ever.

Our approach

To effectively attract and retain the best talent Clifford Chance Procurement has focused on three areas, namely:

- 1) Raising the external profile of the procurement function
- 2) Creating an attractive and inclusive work environment
- 3) Investing in personal development

Raising the external profile of the procurement function

Strong prospective applicants will often research the organisation and these searches need to highlight the benefits to them of working for the company. This googleability is important in providing a strong first impression before they have any interaction with you. It is one thing to have a fantastic procurement department but there needs to be external awareness of this for it to deliver maximum impact.

Some examples where Clifford Chance have worked to do this are:

- Being shortlisted for two CIPS Supply Management Awards
- Attending and contributing to the CIPS Professional Services Knowledge Group
- Presenting at the annual CIPS Conference
- Contributing to several Supply Management articles on a number of topics including: talent management, diversity, reverse mentoring, Procurement 4.0 and innovation
- Supporting team members to present at conferences and events on subjects that reflect our culture
- Developing a recruitment pack that highlights our vision and team culture

Creating an attractive and inclusive work environment for prospective candidates

Retaining talent once you have it can be challenging; increasingly companies need to think creatively around the total package rather than a sole focus on salary. The aim is to create something sticky so that high performers won't want to leave.

Some ways that Clifford Chance focus on ensuring an attractive workplace are:

- Promoting diversity within the team. Build a diverse team who each share their own perspectives and are members of the firm's diversity groups and champions
- Encouraging personal accountability. All team members have annual objectives to identify and deliver at least one improvement a year
- Having a plan to hold the quarterly workshops which focus on delivering the procurement vision ensuring tasks are distributed evenly among the team
- Supporting flexible working and work on an outcome based delivery model

Investing in personal development and providing opportunities for growth

The approach to personal development goes beyond simply sending staff on training courses; encourage open conversations with team members around their aspirations and capabilities to ensure the best outcome for the individual and the department.

Some examples of development Clifford Chance provide are:

- Structured personal development plans for all team members
- Rotation of additional roles and responsibilities - for example, chairing team meetings or team events
- Running quarterly workshop training sessions
- Monthly lunch and learn session
- Leveraging the CIPS Professional Services Knowledge Group to provide a platform for cross company projects and development
- Delivering team development days focused on refining specific skills, such as presenting and SRM

There is no easy answer when looking to attract and retain the best talent. Clifford Chance Procurement invests a lot of time and effort in the above three areas and understand their importance in meeting objectives. As a result they are able to attract and retain highly motivated, capable and talented individuals.

Chris Emberton MCIPS

Procurement Director
Clifford Chance

Employers' perspective

skills in demand/finding talent

Supplier relationship/management skills

IN DEMAND AT ALL LEVELS

This year, supplier relationship/management was the one skill identified as being important by professionals at every job level. Leadership, influencing, change management and internal stakeholder management were highly sought after at more senior levels, while supplier evaluation and appraisal, and tendering were in demand in more junior roles.

Skills requiring 'emotional intelligence' continue to be in demand, but communication/soft skills were no longer in the top five skills at Professional level, where they were replaced by internal stakeholder management. Meanwhile, negotiation was replaced by sourcing at Operational level.

Our survey shows that, at senior levels, internal stakeholder management skills remain in high demand. Although supplier relationship management skills are required by professionals across every level of seniority, the ability to manage internal stakeholder relationships is also an important skill to develop from early on in a career in procurement. Being able to do so can help to elevate the value of procurement within an organisation and, as a professional works their way up to more senior levels, being able to successfully manage internal relationships can help to further increase the impact and influence of the procurement function on the overall business.

Scott Dance
Director, Hays Procurement & Supply Chain

Top skills in demand by job level

1 Most important	Advanced Professional	Professional	Managerial	Operational	Tactical
Change Management	5 57%	-	-	-	-
Communication/Soft Skills	1 87%	-	4 67%	1 63%	1 55%
Financial Analysis and Reporting	-	-	-	-	2 22%
Influencing Skills	3 78%	3 68%	-	-	-
Internal Stakeholder Management	2 83%	2 72%	-	-	-
Leadership	5 57%	-	-	-	-
Market Analysis	-	2 72%	-	-	-
Negotiation	4 61%	2 72%	2 71%	-	2 35%
Sourcing	5 57%	3 65%	-	5 49%	5 22%
Supplier Evaluation and Appraisal	-	-	2 71%	2 56%	5 22%
Supplier Relationship/Management	5 57%	1 74%	1 72%	3 55%	3 29%
Tendering	-	-	3 70%	4 52%	4 24%

Employees' perspective when to move job

30%

STATED THEY WOULD
LOOK TO MOVE EMPLOYER
in the next 12 months

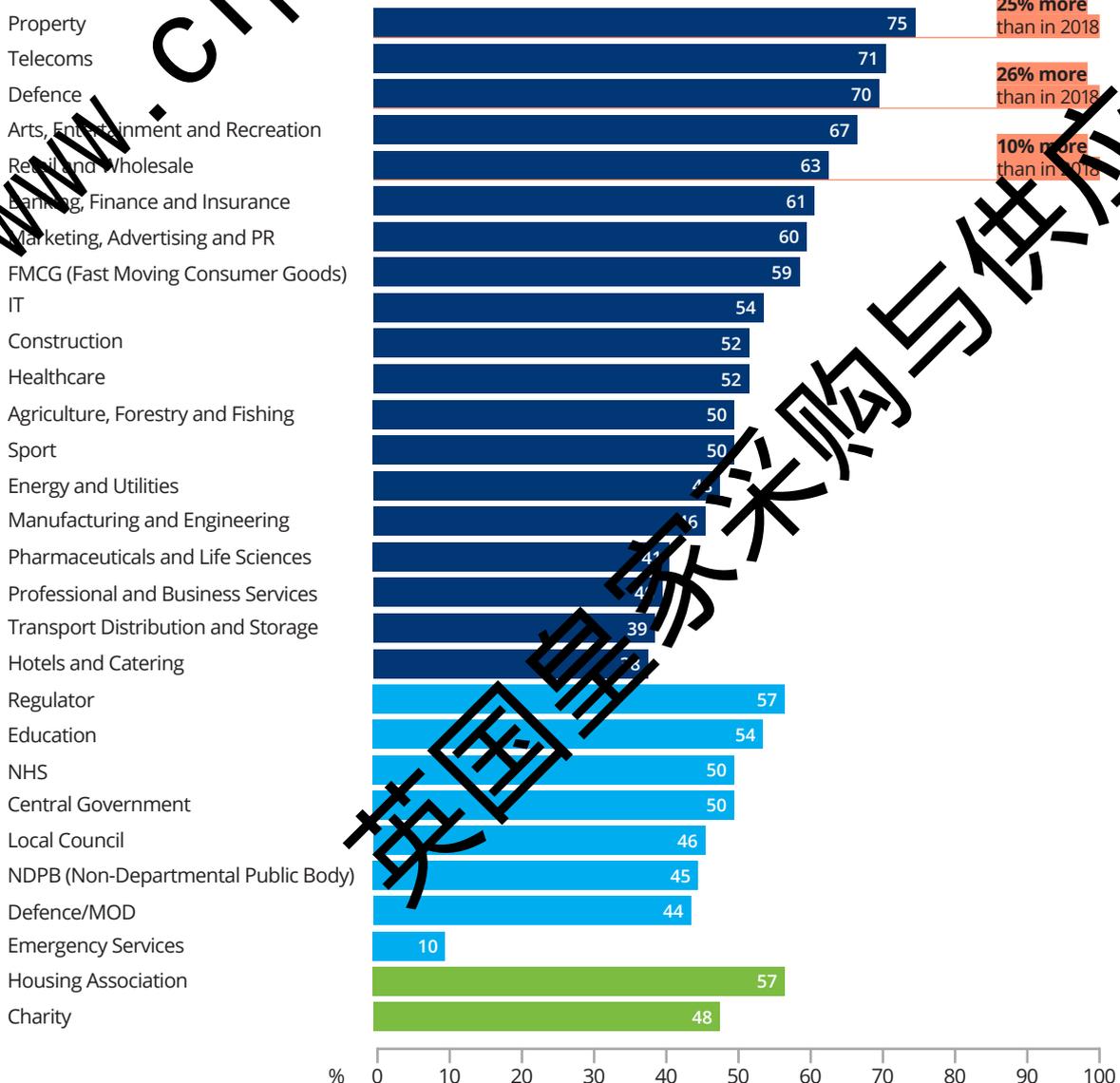
In spite of Brexit uncertainty, our respondents remain positive and keen to progress their careers, with 30% stating that they would look to move to a new employer in the next 12 months. This figure was slightly higher for women at 31% than men at 29%.

As in 2017 and 2018, the largest proportion of procurement professionals anticipating a job move was seen in the Private Sector: 31% compared to 29% in the Public Sector and 28% in the Charity/Not For Profit Sector.

Private Sector industries with the largest proportion of respondents seeking to move employer in the next two years were: Property (75%), Telecoms (71%) and Defence (70%). The largest increases since 2018 were in Defence (44% in 2018 to 70% in 2019), Property (50% to 75%), Retail/Wholesale (53% to 63%) and Construction (35% to 52%). For Defence in particular, which our report highlights as the least likely to recruit in the Private Sector (see page 32), these findings are worrying and may result in a significant skills shortage if not addressed by employers sooner rather than later.

In the Public Sector, the industries with the largest number of people seeking to move employer in the next two years were: Regulator (57%), Education (54%), NHS (50%) and Central Government (50%). Education and Regulator saw the largest increases, at 20% and 19% respectively.

% respondents seeking to move employer in the next two years by industry



Employees' perspective reasons to move job

76% STATED SALARY AS 'VERY IMPORTANT' when considering moving to a new job role

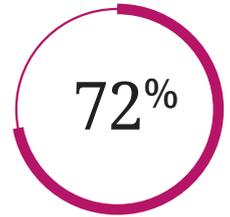
2% increase on 2018

Again this year we have seen that salary is the most important factor when considering a job move.

Flexible working policies beyond statutory requirements continue to increase in importance: 41% of respondents in 2017, 49% in 2018 and 52% in 2019 identified these as 'very important' to them.

The most notable change since 2018 has been an 8% increase in the number of procurement professionals rating career progression as very important. Career progression does not necessarily have to mean a promotion, but can include offering opportunities such

as mentoring and networking, or volunteering such as in local CIPS branches which can benefit personal development. Consequently, we have also seen a 5% increase in the number of professionals rating commitment to staff training and development as important. This sends an important message to employers who, as part of retention strategies, should support their staff's CPD both financially and in terms of time out of office hours, to attend networking events for example. The number of procurement professionals who quoted ethical practices as 'very important' also increased, by 3%.



are likely to seek a more senior procurement role in the next two years

Most important factors when considering a new job



Employees' perspective

reasons not to move job

27% STATED TRAINING AND DEVELOPMENT NEEDED to step up to a new job role

4% increase on 2018

The desire to retain current work/life balance continues to be the most common reason at 32% for not wanting to move to a new role, while looking to change career/move out of procurement remains the least common.

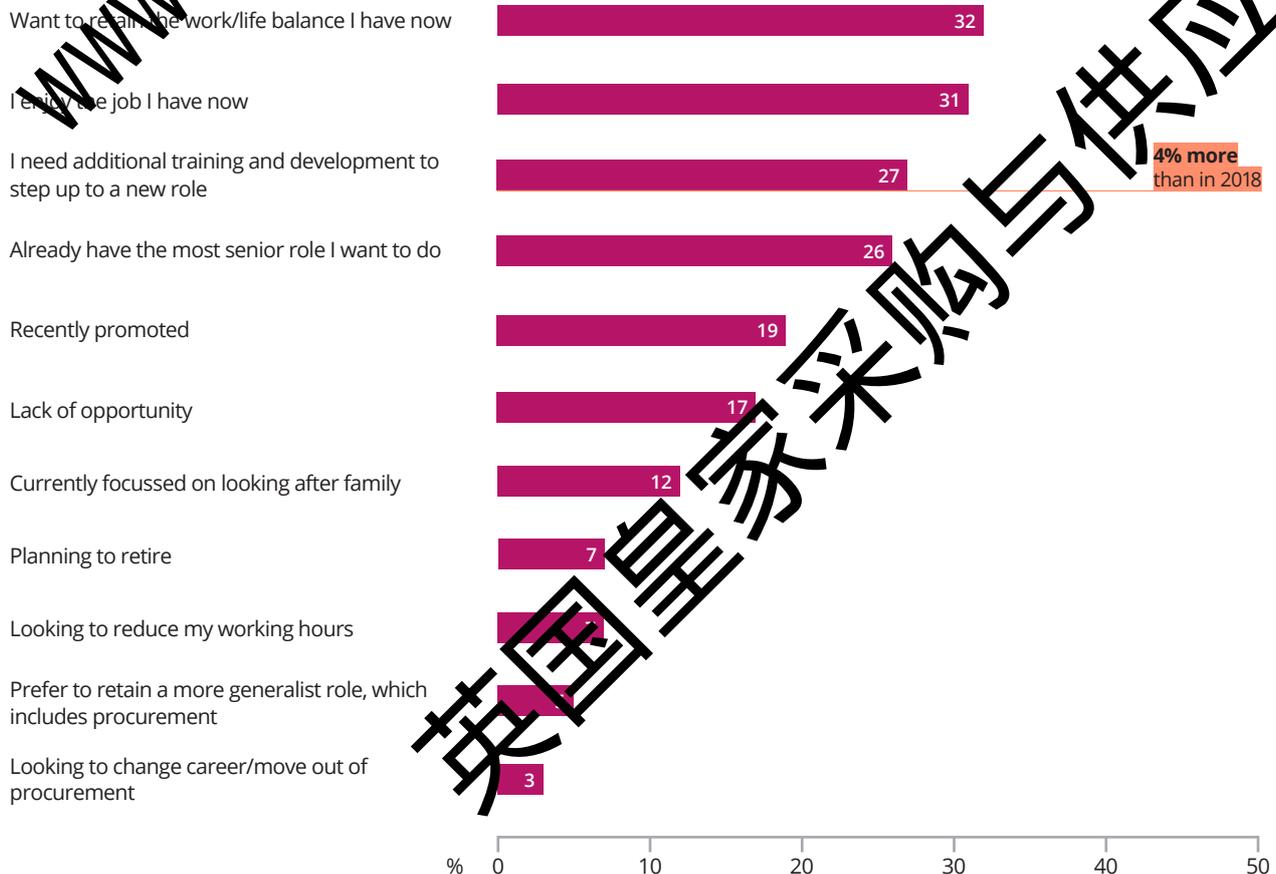
Again, we have observed a 4% increase in the number of procurement professionals stating a need for additional training and development to be able to step up to a new role. This was the biggest change since 2018, reinforcing the necessity and high demand for globally recognised professional development programmes such as those offered by CIPS.

There is much that employers can do to better retain their procurement staff, and it is not just about offering salary rises. Survey respondents highlighted that retaining their current work-life balance is important to them. Employers can go one step further and improve the work-life balance of their teams by ensuring sufficient flexible working policies are in place. The Hays UK Salary & Recruiting Trends 2019 Guide shows that a quarter of procurement professionals are not aware of the flexible working options available to them from their current employer, meaning better internal communication may be needed to keep professionals fully informed.

Career development is also an important factor for professionals and proper management can also help employers to retain staff. Career development can encompass promotions, lateral movement to different roles or parts of the business or opportunities such as mentoring. Again, transparency about the opportunities available is key, so proactively discuss these options with your team to increase awareness.

Scott Dance
Director, Hays Procurement & Supply Chain

Main reason to stay with current employer



Employees' perspective moving job... factors by age

Career progression opportunities and salary

MOST IMPORTANT JOB FACTORS in under 35 year olds

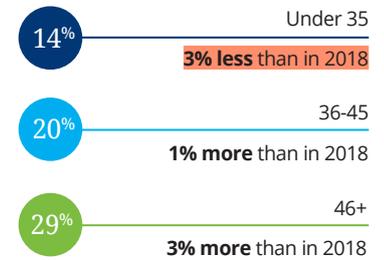
As expected, the desire to move job continues to decrease with age: 14% of respondents aged under 35 did not anticipate wanting to move, increasing to 20% for 36-45 year olds and 29% for those aged 46 or over.

For all age groups, salary was one of the top three considerations when moving to a new job but only the top consideration for 30-35 year olds. For those aged under 35, the top three factors were career progression opportunities, salary and commitment to staff training and development through programmes such as CIPS qualifications

and CIPS Corporate Award*. The only change from 2018 is that salary and career progression have changed positions.

Career progression was in the top ranking considerations for all age groups under 45, though its importance reduced as age increased. For those aged between 36 and 55, the number one consideration was location within the country where they were currently based. Focus on the content of the work was a priority unique to those aged 46 or over. Procurement being highly valued was important to those aged 56 or over.

% not wanting to move jobs by age



Most important job factors by age, in order of preference

Most important	Under 30	30-35	36-45	46-55	56+ years
Salary	2 82%	1 82%	2 71%	3 67%	4 64%
Company reputation	-	-	3 67%	-	-
Career progression opportunities	1 86%	2 77%	3 67%	-	-
Procurement is highly valued within the company	-	-	-	3 67%	1 72%
Company is committed to staff training and development	3 68%	-	-	-	-
Location within the country where I am currently based	-	3 67%	1 73%	1 78%	-
The content of the work	-	-	-	2 69%	3 60%

Employees' perspective moving job by gender

Career progression opportunities

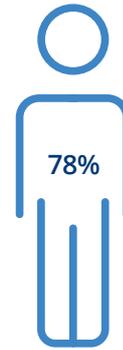
VERY IMPORTANT for men and women

The top reasons to move jobs are the same year on year for both genders, and again most reasons were more important to women than men. The exceptions were: salary, which 78% of men cited as 'very important' compared to 73% of women; opportunity to earn a bonus, 34% men compared to 27% women; and opportunity to move to a role in a different country, 11% compared to 7%.

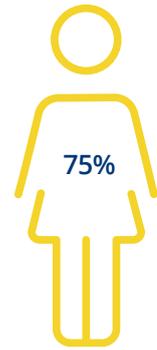
The largest differences were in the importance of ethical practices, commitment to staff training and development, location and flexible working policies. All were over 13%

more important to women. The importance of career progression opportunities, and commitment to staff training and development notably increased for both men and women, highlighting how important it is for employers to understand professional development needs. Proactivity is key to this and should include research to identify appropriate development opportunities followed by discussion with procurement teams. The increases were higher for men: 10% for men and 4% for women for career progression opportunities; 5% for men and 4% for women for staff training and development.

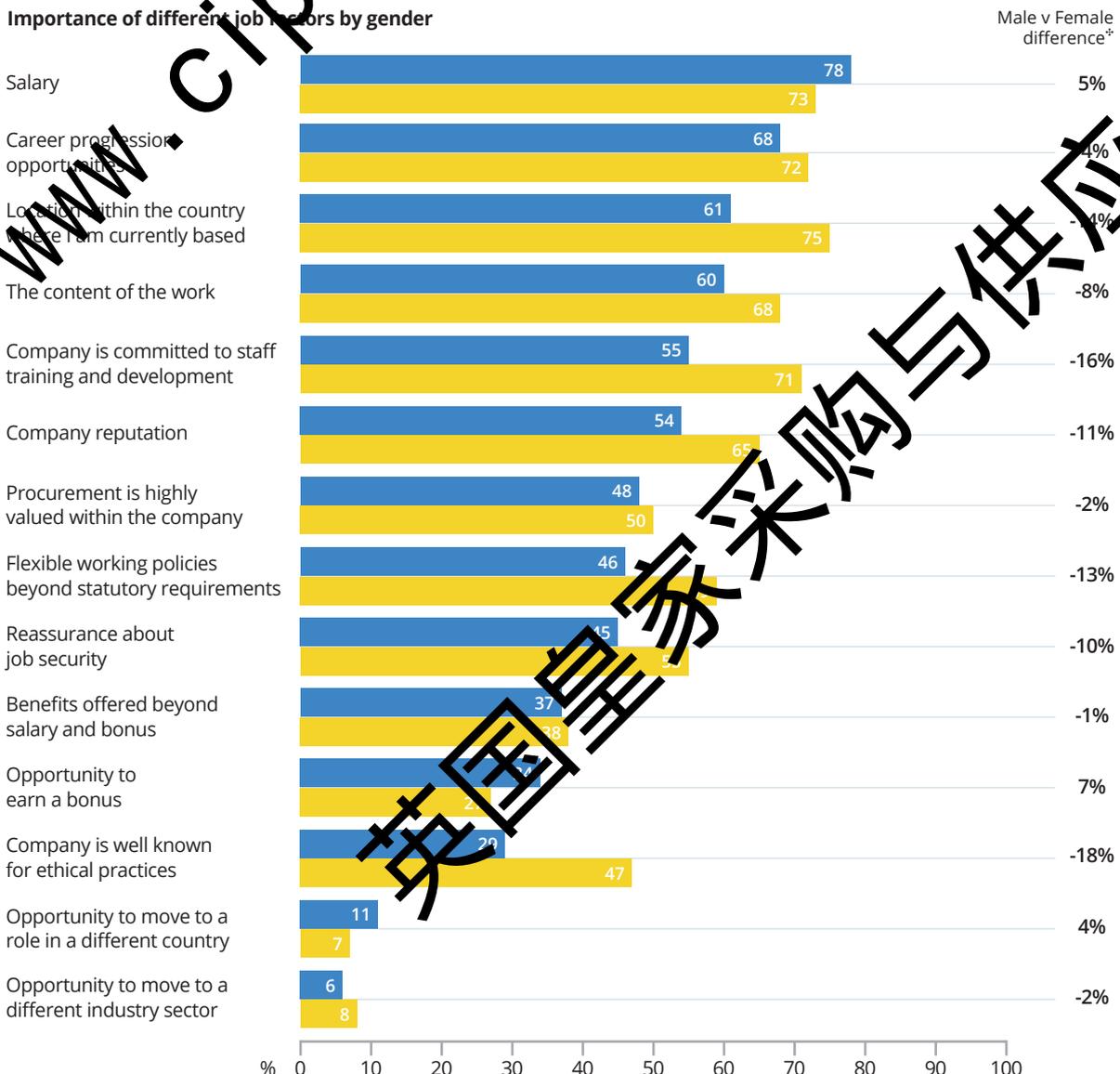
Salary
MOST IMPORTANT FACTOR FOR MEN when moving job



Location
MOST IMPORTANT FACTOR FOR WOMEN when moving job



Importance of different job factors by gender



Employees' perspective moving job... by industry

Manufacturing and Engineering

MOST DESIRABLE INDUSTRY TO MOVE INTO for men and women

Manufacturing and Engineering remains the most desirable industry to move into for men and women alike, perhaps due in part to large procurement functions which offer greater scope for career progression.

The **Private Sector is still the most attractive sector for both genders** but there was a substantial increase in the proportion of men and women considering moving into the Public and Charity/Not For Profit Sectors:

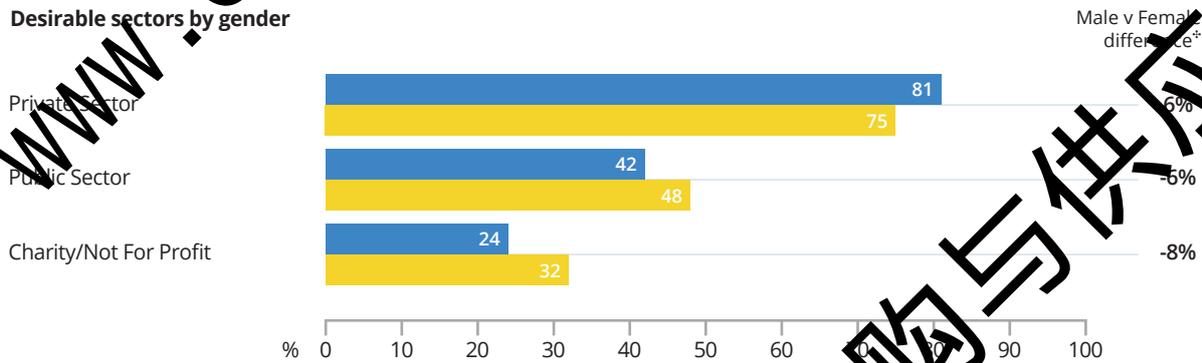
- 10% more men and 11% more women would consider moving into the Public Sector

- 8% more men and 12% more women would consider moving into the Charity/Not For Profit Sector

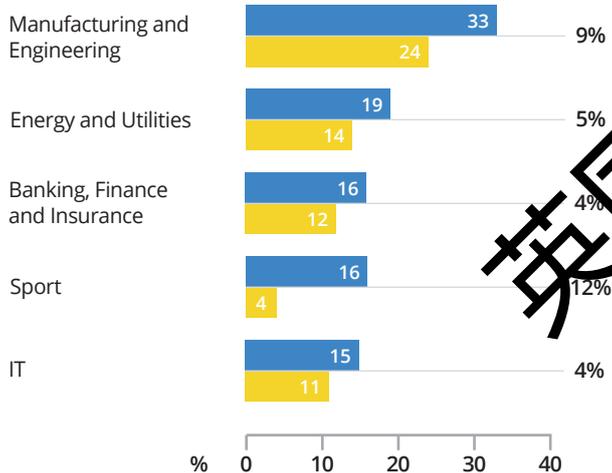
There is no change in the most desirable industries by gender: Sport, Manufacturing and Engineering, Energy and Utilities, IT and Banking, Finance and Insurance industries are most attractive to men, while women are drawn to Retail and Wholesale, NHS, Education, Local Council and Charity.



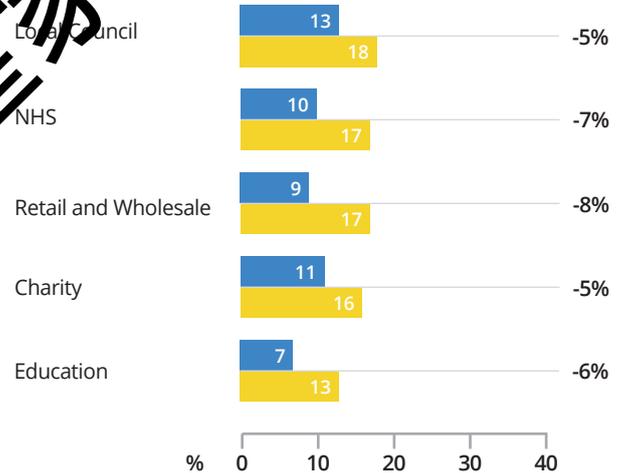
Desirable sectors by gender



Top five desirable industries by gender (male/female difference)



Top five desirable industries by gender (female/male difference)



Developing talent from within

Heineken

Heineken is a Dutch brewing company with operations in more than 70 countries, each with its own country-specific procurement function supported by a global procurement team. Here in the UK, we are very proud to be one of the company's leading procurement teams: our 'climate survey score', an internal benchmark of performance, was the second best in Heineken global procurement 2018, making us Heineken UK's most attractive team to work in.

One of the fundamental goals of our procurement department is to recruit, develop and retain high-performing, talented colleagues. As a leadership team we proactively search internally and externally in a variety of ways, including by creating a video of a day in the life of a role' and detailing why our department is an attractive place to work through social media channels. Internally, we proactively build our vacancy pipeline and succession plans where we can draw on internal candidates identified through our talent 'fishing' and 'sit by' events hosted by the team. We also host lunch and learn events where we raise the profile of the department and procurement.

Fostering an environment of CPD

Members of the procurement team across all levels are actively encouraged to pursue professional qualifications such as those offered by CIPS. We have created an environment where the team are motivated to attend CIPS branch events, external conferences, innovation days and networking opportunities, within the context of our 'Bringing the Outside in' agenda, and focus on continual professional development. We also offer a global procurement academy and an i-learning programme to further increase specialist knowledge and enhance soft skills. The increased training and development has improved team morale which is visible not only in the team but in the delivery of our cost and cash objectives year on year. Each colleague has their own personal development plan based on a skills gap analysis, 180 feedback and personality profiling where they own the progress and this forms part of their monthly one-to-ones and annual review. This allows the leadership team to capitalise on strengths within the team and develop where lesser strengths have been identified. The procurement leadership team mentor and coach all team members and are also involved in the wider business mentoring programme.

Investing in flexible working

Our climate survey results have increased year on year and this has been achieved by laying foundations of trust and true leadership within the team where we have created a safe and empowered environment. We also offer flexible working hours which has allowed us to retain team members who were looking to reduce their hours due to life events and allowed us to tap into a completely new talent pool previously unavailable. In addition, we offer working from home arrangements to help maintain a healthy work-life balance.

Inclusion and recognition

To maintain our employee engagement and inclusion, team members are encouraged to create the monthly team meeting agenda based on a theme of their choice where they can invite training providers, other departments, suppliers or companies to present to the team. Twice each year we also schedule team-building events which range from problem solving to charitable work. Heineken offers a company recognition scheme where we can actively promote our own team achievements throughout the year. And it's always nice to hear a thank-you, for a job well done.

Top tips

1. Attract talent by promoting your team or department's successes and achievements online and on social media
2. Raise the profile of your function in your own organisation at lunch and learn events
3. Maximise team performance by encouraging a culture of constant learning through, for example, CIPS qualifications
4. Offer flexible working where possible to tap into new talent pools and retain talent that may have been lost due to life changes
5. Recognise and celebrate everyone's successes!

Kimberly Campbell FCIPS

UK Category Buyer
Heineken UK

Perceptions of Procurement

Examining how procurement is viewed in terms of the importance of certain skills by sector; the general regard for what the role of procurement can bring to organisations; and the key issues for the profession.



www.cips.org.cn

section

Since we began reporting in 2015, we have seen a significant shift in the perception of procurement, from a transactional department to a function at the very forefront of business strategy. More and more, we see procurement being engaged as an enabler and driver of positive change, particularly in the Public Sector where transformation due to Brexit and other issues has seen a real raising of procurement's profile.

Also playing their part in improving the positive perception of procurement have been awards and events, such as the CIPS Conference[▲] and Supply Management Awards. These do not simply recognise achievement amongst peers, they signify an individual or team's best-in-class practice to their wider organisation, which in turn leads to procurement being more likely to be engaged in projects from the outset.

Additionally, CIPS qualifications and the achievement of MCIPS, FCIPS and Chartered status provide an objective assessment of capability and performance for organisations that result in greater confidence in procurement functions. In fact, the Government Commercial Function (GCF) has recently committed to issuing new guidance to its employees who are Members and Fellows of CIPS stating an expectation that they should upgrade their CIPS membership to Chartered status. The objective is to develop the commercial and procurement capability in order to drive for best practice across Government. This will be vitally important as Government and the profession both seek to operate to the highest possible standards.

"[Achieving MCIPS] has helped me to raise the agency of procurement in my organisation and access more strategic change programmes with senior stakeholders."

MER candidate, 2018

It is positive to see that perceptions of procurement continue to be high and that a large proportion of senior business leaders have a good understanding of the value that procurement specialists can offer. To augment these positive perceptions further, professionals need to ensure that they are developing the skills most needed by employers. Our survey shows that communication and soft skills remain of high importance across all sectors, as do influencing skills and supplier relationship management skills. Other skills are coming to the fore, such as leadership in the Public Sector, which has seen a 10% increase in demand in the last year. Internal stakeholder management skills are also valuable across all sectors, especially at higher levels of seniority, and will continue to grow in importance as procurement's strategic role becomes more prominent within an organisation.

Scott Dance

Director
Hays Procurement &
Supply Chain

Key skills by sector

**LEADERSHIP
SKILLS
IMPORTANT
FACTOR
Public Sector**

**10%
increase
on 2018**

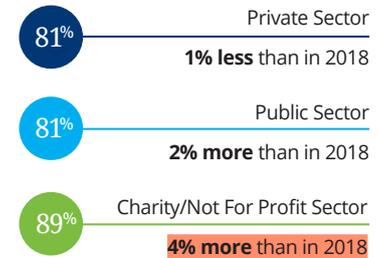
There is no change this year in that communication/soft skills are still seen as the most important for procurement professionals to perform their jobs well across all sectors. 81% of respondents in the Private and Public Sectors, and 89% in the Charity/Not For Profit Sector regard these skills as very important.

The differences between the sectors are very similar to 2018 and include the following:

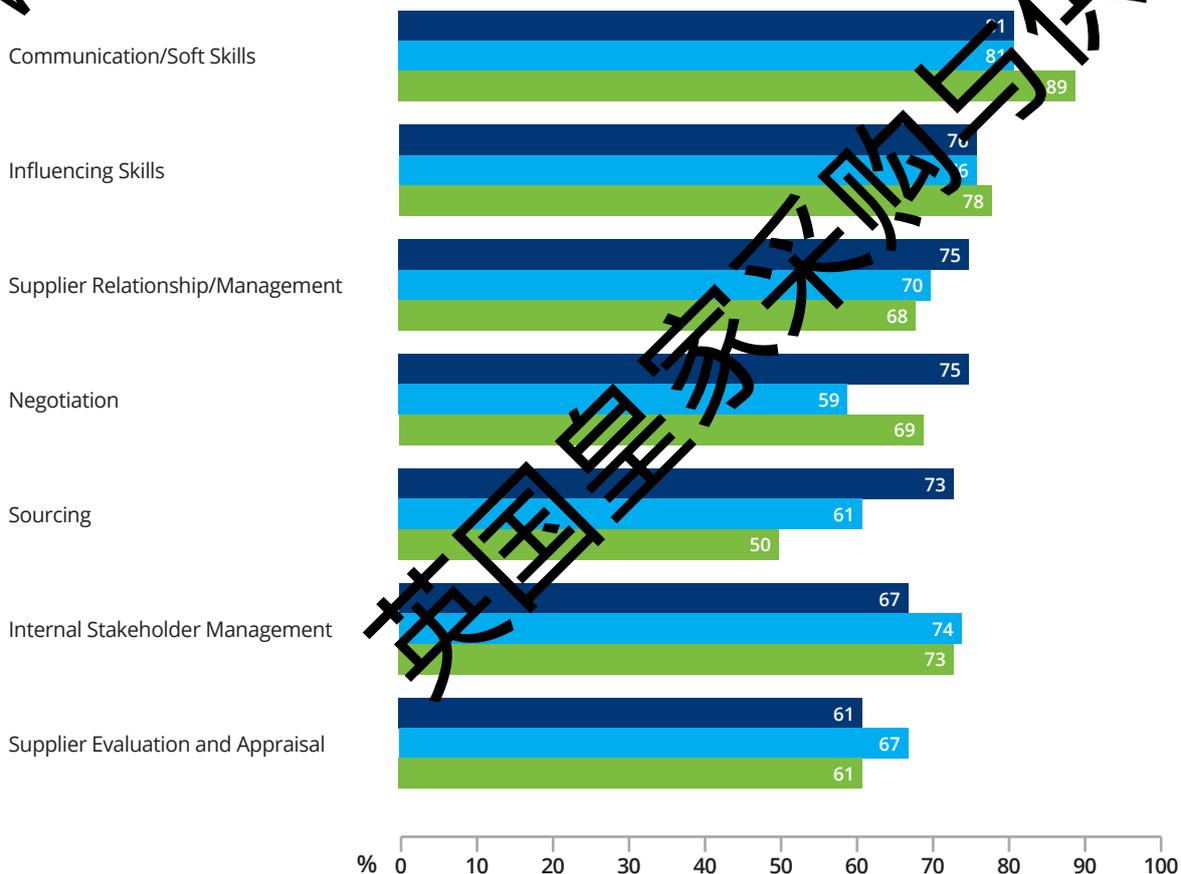
- Sourcing is more important in the Private Sector
- Negotiation is more important in the Private and Charity/Not For Profit Sectors
- Specification development and tendering are more important in the Public and Charity/Not For Profit Sectors
- Commissioning is more important in the Public Sector
- Raising the profile of procurement is more important in the Charity/Not For Profit Sector
- Market analysis is more important in the Private and Public Sectors

Leadership in the Public Sector has seen the largest increase in importance since 2018, from 50% to 60%.

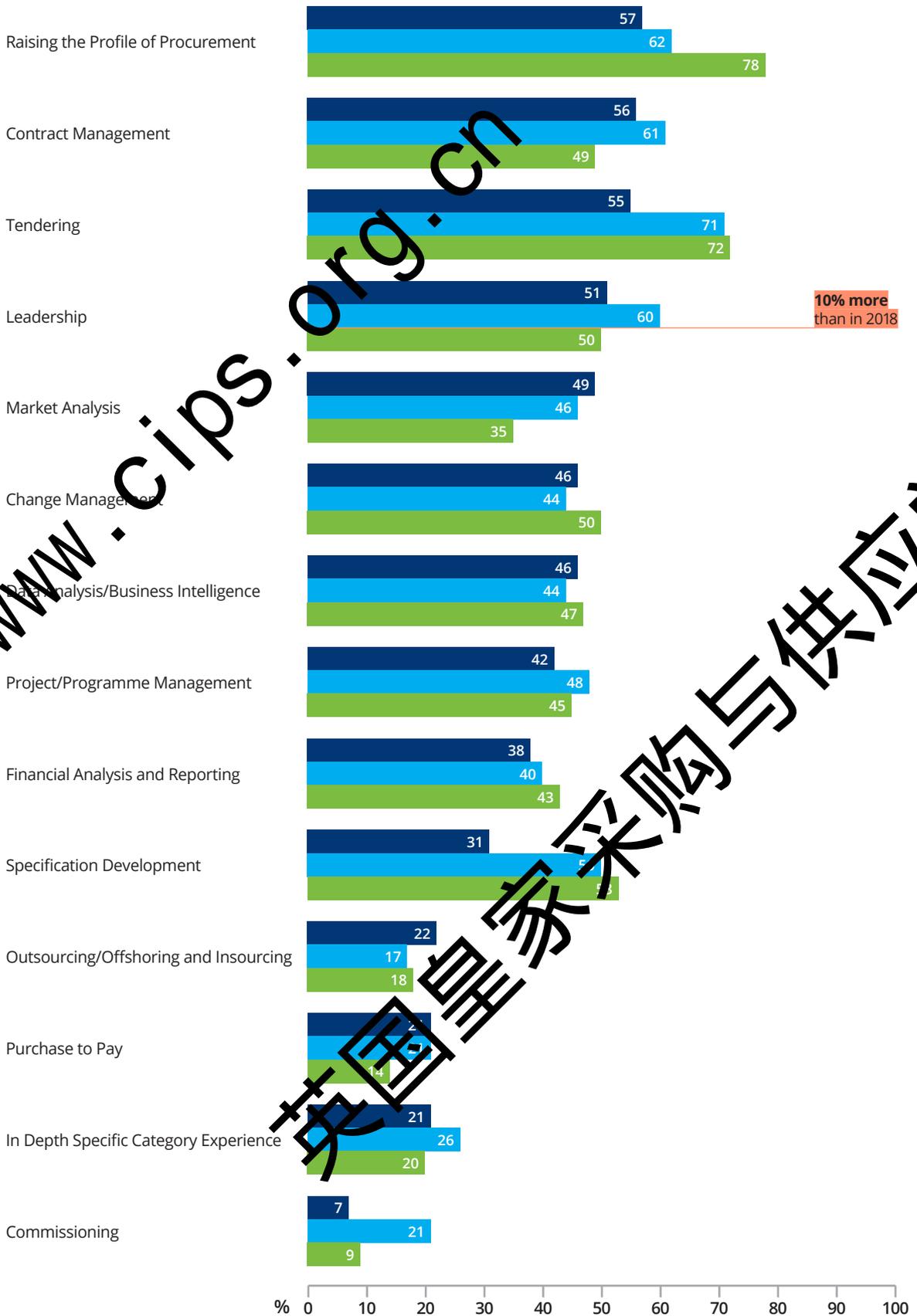
Importance of communication/soft skills by sector



Key skills considered important



Key skills considered important



Importance of key skills by job level

Influencing and leadership skills

IMPORTANCE INCREASES
with seniority

There is little change in most of the key skills at all levels of seniority and we continue to see the following increasing in importance as we advance through the job levels: leadership, influencing skills, raising the profile of procurement, communication/soft skills, negotiation and internal stakeholder management. **Sourcing and supplier relationship/management** are among the most important skills at Professional through to Tactical levels, while supplier evaluation and appraisal and tendering are key skills at Operational level.

It is clear that professionals need to invest in their own careers and keep their key skills up to date, through CIPS training, CPD and working towards Chartered status* individuals can realise their full potential and stay ahead of the game. Having Chartered status evidences a professional's commitment to their career and ethical procurement and supply practice, verifying currency, experience and knowledge in the profession.

Top skills for each job level

1 Most important	Advanced Professional	Professional	Managerial	Operational	Tactical
Communication/Soft Skills	2 92%	2 82%	1 84%	1 78%	1 69%
Influencing Skills	1 93%	1 88%	2 81%	-	3 74%
Internal Stakeholder Management	3 90%	4 76%	-	-	-
Leadership	4 87%	-	-	-	-
Negotiation	-	5 72%	4 74%	4 68%	4 50%
Raising the Profile of Procurement	5 79%	-	-	-	-
Sourcing	-	5 72%	4 74%	3 71%	3 51%
Supplier Evaluation and Appraisal	-	-	-	4 68%	-
Supplier Relationship/Management	-	4 77%	3 75%	2 76%	2 56%
Tendering	-	-	-	4 68%	-

* cips.org/chartered

How procurement is viewed

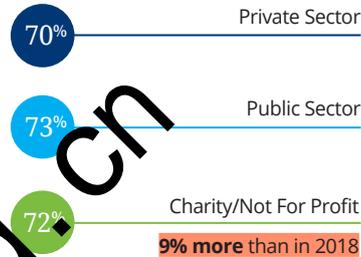
71%

PROCUREMENT IS VALUED WITHIN THE ORGANISATION across all sectors

The trend of a positive perception of procurement continues, with 71% of respondents agreeing that procurement is valued within their organisation and 68% feeling that perception of procurement has improved in the last 12 months.

As per last year, the Charity/Not For Profit Sector has seen the largest improvement in the perceived value of procurement, up by 9% since 2018. The sector continues to stand out as having the largest proportion of respondents feeling that perception of procurement improved in the last 12 months, although the difference with the Private and Public Sectors is less pronounced this year. The Charity/Not For Profit Sector also saw a large increase (9%) in the proportion of respondents feeling that procurement was engaged from the start of a project.

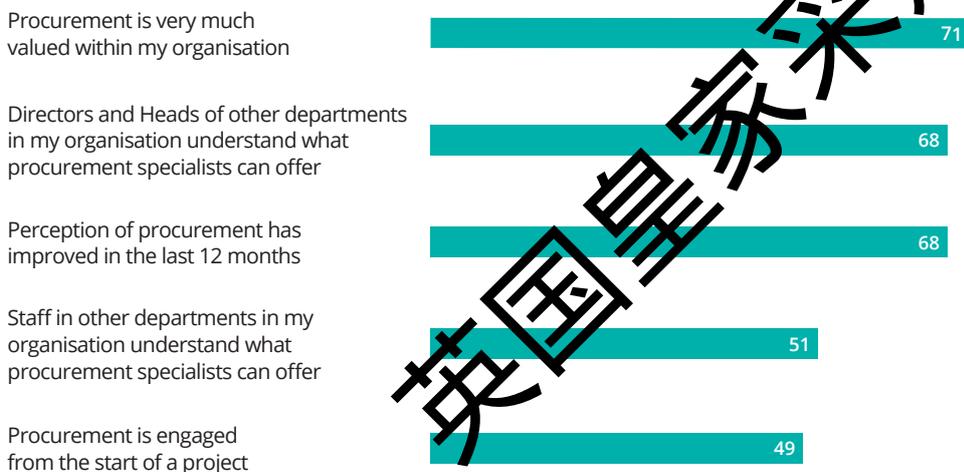
% of professionals that agree procurement is valued within their organisation



For perceptions of procurement to continue to improve, procurement professionals should take steps to develop their internal stakeholder management skills. Learning how to engage with the different agendas of a range of internal stakeholders, including the procurement team itself, is vital to achieve the best result for all. This involves being able to turn the features of the procurement team's activities into benefits that are relevant for each stakeholder group, from the CFO through to the CMO. There are a number of resources available on the CIPS website to help professionals to engage effectively with different stakeholders and continue to drive positive value.

Scott Dance
Director, Hays Procurement & Supply Chain

How procurement is viewed



% 0 10 20 30 40 50 60 70 80 90 100

WWW.CIPS.ORG.CH

英国皇家采购与供应学会

Key issues by sector

50% ENSURING ENGAGEMENT WITH PROCUREMENT at the outset of a project top challenge across all sectors

3% increase on 2018

While many of the top challenges faced across all sectors in 2019 remained consistent, there were some notable differences. In particular, 42% of respondents felt that **changing EU procurement regulations would be one of the main challenges** facing procurement in their organisation in the next 12 months, an increase of 16% on 2018. The increase in professionals citing this challenge was particularly prominent in the Private and Public Sectors.

As in 2018, ensuring engagement with procurement at the outset of a project and **being seen as a strategic partner** to

the business were identified as top challenges in all three sectors. The Charity/Not For Profit Sector saw a notable increase in the number of respondents feeling the former would be a challenge, up by 10% since 2018. Addressing both of these challenges requires a focus on communication/soft skills, stakeholder engagement and influencing skills. This is borne out by our report findings on the importance of key skills at each job level (page 46).

The Private and Charity/Not For Profit Sectors continue to cite managing risk in the supply chain as a major challenge,

while budget restraints were common to the Public and Charity/Not For Profit Sectors. The challenge of managing costs while maintaining quality has decreased across all sectors, most noticeably in the Charity/Not For Profit Sector, which saw a 14% decrease.

The particular challenges unique to each sector were:

- Private Sector: being responsive to market conditions and managing costs while maintaining quality
- Public Sector: retaining and attracting staff with the right skills
- Charity/Not For Profit Sector: internal blockers.

Key challenges for procurement by sector

1 Biggest challenge	Private Sector	Public Sector	Charity/Not for Profit
Attracting staff with the right skills	-	4 44%	-
Being responsive to changing market conditions	5 37%	-	-
Being seen as a strategic partner to the business	3 47%	3 46%	4 54%
Budget restraints	-	1 52%	6 35%
Changing EU procurement regulations	4 38%	1 52%	5 38%
Ensuring compliance to contracts	-	-	4 39%
Ensuring engagement with procurement at the outset of a project	2 49%	2 49%	1 68%
Internal blockers	-	-	6 35%
Managing costs while maintaining quality	5 37%	-	-
Managing risk in supply chain	1 52%	-	3 51%
Retaining staff	-	5 39%	-

Emotional Intelligence

What do people say about you when you leave the room?

Having worked with hundreds of clients from a diverse range of backgrounds and businesses I can tell you that you wouldn't be alone if you felt some trepidation at considering the answer to that question.

Your reputation: your personal brand

Our clients in procurement tell us that they need to display a range of qualities and styles. Some would say that their credibility, knowledge and resilience are the most important factors. Others would say that they need to be able to influence, think strategically and manage stakeholder relationships.

Of course, all of the above are relevant. However, it is rare to meet an individual with strengths in all these areas.

It is common for individuals to focus on their known strengths and to assume that this is sufficient to build a good reputation. However, with too narrow a focus, sometimes our reputation can move in an unhelpful direction in spite of ourselves and our best intentions.

At DRIVE we call this reputation your 'personal brand'. The differentiator, the competitive advantage, the thing that can make you irreplaceable in a burgeoning world of complexity, ambiguity and of course EI (emotional intelligence).

Successful personal brands start with an acute understanding of our strengths and our deep-rooted motivators. This ever-evolving high level of self-awareness, an intrinsic component of EI, is at the heart of long-term performance. Managers who can help their teams leverage these insights will consistently outperform those that don't.

How to assess and improve EI

People can often recognise the behaviours of someone lacking EI but can be at a loss as to how to address such unproductive behaviours. In an attempt to provide personal development solutions, organisations tend to offer a range of 'soft skills' training courses such as assertiveness, influencing and presentation skills. However, although these may provide employees with useful tools and techniques, they rarely improve EI levels or achieve the level of benefit required. This is because what these courses fail to explore in sufficient detail are the individual's natural traits and learned beliefs that underpin the behaviours.

Today there are a number of tools available to organisations to assess an individual against a range of traits relating to EI, such as optimism, self-esteem, emotion perception and regulation, empathy, assertiveness and adaptability.

Through a deeper understanding of themselves and better-targeted personal goals, procurement professionals can start to work on the attitudinal and behavioural changes that will enable them to form stronger, more productive relationships with others and drive greater personal impact.

The first step to proactively managing your reputation is to gather objective evidence on what your reputation is today. And then, next time you engage with a stakeholder, consider how your value judgements and behaviours are helping or perhaps hindering you in building the reputation that will help procurement to deliver its strategic objectives in an emotionally intelligent way.

Becky Tilney

Director
DRIVE

Conclusion...

Following my first full year in this role the focus on attracting and retaining highly skilled Commercial people means that, as a profession, we need to continue to ensure appropriate reward and pay is at the forefront of our minds.

Even more than ever, last year has certainly delivered in terms of challenging procurement and commercial activity, putting the spotlight on procurement. So far 2019 shows no sign of relenting in the need for procurement professionals to navigate uncertain and ambiguous times and increasingly, commercial professionals are expected to balance strategic skills with technical and negotiation expertise.

In central government, the demand for senior expert professionals shows no sign of abating. Like all sectors, we have sought to increase our diversity profile and narrow the gender pay gap. We have made progress, but we continue to have a higher proportion of men working at senior levels than women. We are also making systematic changes to the way in which we look to engage and source talent into government. This has included a strengthened focus on our recruitment practices, embedding family-friendly policies, a commitment to diverse panels to remove bias in selection. We are also taking action to improve the diversity of our talent programmes to make women more representative at the most senior grades.

The war for talent now feels more like a war for skills, with organisations competing for new and scarce skills in digital, IT and robotics. In government, we also find scarcity in more traditional sectors too, such as facilities management and corporate services. Growing our own talent through the Commercial Fast Stream Graduate Programme has helped plug gaps and bring in new entrants, but competition is fierce. Within government we have the advantage of a footprint across the UK and this has enabled us to be more agile in where we recruit, helping to attract a more geographically diverse profile.

As I reflect on the last few years, the progress made to offer procurement professionals a career in government has been dramatic. Improving commercial capability is one of the top three management priorities for the Civil Service. Centrally we spend £49 billion annually on external contracts, and managing these effectively is critical to the delivery of vital public services. This procurement spend is even greater when we factor in wider government bodies.

Our Commercial Capability Programme has proved highly effective. Securing a radically new pay offer from HM Treasury for commercial staff was critical to attract and retain top talent. In 2013-14, pay for commercial specialists benchmarked in the bottom decile of private sector comparators as reported in the CIPS salary insights. Our new pay structure is more aligned to private sector norms, with a higher base pay, a defined-contribution pension and greater performance related pay than standard Civil Service packages. We have recruited over 350 senior commercial staff as a result, attracting individuals that would not have previously considered a career in government. Our world-class Assessment and Development Centre, supported by CIPS provides a dynamic, robust and challenging approach to recruiting highly experienced and commercially astute professionals into the new Government Commercial Function and provides valuable insight into capability.

Our remuneration offer may have improved but what really sets us apart is the focus on leadership and judgement, attributes which underpin our standards and ambitious and innovative bespoke learning offer. The impact and effectiveness of our programme was recognised in 2018 when we were awarded the CIPS Best People Development Award. Procurement professionals in government have access to an unrivalled range of roles. Our talent offer providing access to qualified career coaches that support opportunities, facilitating sideways moves to build skills in new areas or experience as well as to support progression.

We are not content to stand still and so will continue to look to attract the best possible people in government to address the uncertainty of the future and associated risks when it comes to making third party spend decisions. These people we will draw from both the public sector and private sector. Our focus remains on continuing to monitor pay and reward and, where possible, address systemic inaccuracies.

As the single largest employer of commercial professionals in the United Kingdom we remain committed to supporting the profession via the work that CIPS undertakes and in February 2019 the Government Commercial Function made a significant announcement that aims to place the procurement profession and its commercial capability on a par with other recognised Chartered professions. This means that all holders of MCIPS or FCIPS are now expected to gain CIPS Chartered Status.

The vision for the Government Commercial Function is to be the best commercial team in the UK. We are committed to offering high quality and exciting roles in some of the most diverse areas of public procurement and service delivery. If you are looking for a rewarding, challenging and continuously developing role, that is supported by investment in you - think about applying to join the Government Commercial Function.

Gareth Rhys-Williams

Government Chief Commercial Officer
Government Commercial Function
Cabinet Office

Marco Salzedo FCIPS

Director of Commercial and Contract Management
Capability, Government Commercial Function,
Cabinet Office

The market in which we operate is transforming, but the procurement profession is well-placed to overcome any challenges ahead. Building a pipeline of talent will be key to continuing the positive trends we have seen in the profession not just from the last year, but over the last five years since we began reporting.

Competitive pay will always be important to find the best procurement talent, but effective talent management strategies and career planning from their first role in the profession all the way up to the most senior positions is also vital. Information about career progression opportunities should therefore be clearly promoted throughout the recruitment process. For example, make sure it is referenced on your website and discuss potential career paths with candidates during interviews to help keep them engaged and show them the potential opportunities.

As senior leaders continue to turn to procurement to help achieve their objectives and find optimal solutions to the challenges they face, procurement professionals should evaluate their skillset to ensure they are able to meet these demands as effectively as possible. Soft skills are highly valued, and stakeholder management is an important skill to develop across all levels of seniority to put professionals in a better position to play a more strategic role within an organisation.

The procurement profession continues to be an attractive career choice, and with the right teams in place, will continue to go from strength to strength.

Scott Dance

Director
Hays Procurement & Supply Chain

www.cips.org.cn

英国皇家采购与供应学会