2021

Procurement Salary Guide and Insights

Key Trends and Findings

EUROPE EDITION
As old practices are challenged and new thinking embraced following the impacts of the pandemic, the search for talented professionals who can manage risk and resilience in their supply chains will surely intensify. Long and well-trodden global supply chains that were efficient even if complex, have been shaken to their core. But though many businesses closed their doors as a result of the pandemic, there were also success stories about capable professionals able to navigate through the ebbs and flows of disruption, and to find new opportunities for their organisations.

Boards and CEOs are sitting up and taking notice of these talented individuals. The report clearly shows that professionals with the right experience and capabilities will be sought out and rewarded, leading to varied and interesting careers for decades to come. It happened to me, and I can only confirm the great careers that are possible in our profession. As we emerge into a new post-pandemic landscape, the demands on procurement teams won’t fade away, and professionals must continue to hone their skills, add to their knowledge and increase their capability to create the resilient supply chains of the future.

So what are these skills? The report once again highlights the need for soft skills. Technical skills and procurement qualifications remain important for individuals and their career progression. However, it is the soft skills of leadership and stakeholder management that deliver on business goals. This as a theme has been consistent over recent years and will likely remain core in the next few years too. For example, businesses with strong relationships and supportive approaches for suppliers in difficulties were the ‘customer of choice’ when the tables were turned, and when the customer relied on the availability of essential supplies to sustain their organisation.

I firmly believe that an increased focus on ethical procurement is imperative. Great strides have been made to raise awareness around ethics in supply chains, but greater recognition of procurement’s impact on local communities, or the elimination of slavery in supply chains, would address unpalatable situations that continue to exist. A simple re-focus on issues of real value to society today.

And it is straightforward. Professionals have a range of tools at their disposal to drive good procurement for societal good without the need to dispense with cost efficiencies or quality. The better use of data, for instance, or enhancing networks so supply chains are more diverse and innovative. However, it does take time and commitment to professional development to always live these principles, and it was good to see that those professionals with MCIPS were rewarded once again for their efforts and for raising the standard of professionalisation.

I hope that those of you reading this who are MCIPS will reflect on your journey, and on all of the dedication you have already shown in your learning and development. However, I’d like to urge you to continue to take that development a little further each year and gain Chartered status if you haven’t already done so. Gain your CPD points to demonstrate relevant skills and current knowledge, so conquering the disruptions of the past can be a learning journey towards more resilience in supply chains of the future.

The report is a fascinating read. I am sure you will gain some valuable insights to use for planning your own career or supporting the careers of individuals in your team. What is strongly evident is that the procurement and supply profession has gained even more credibility and respect as the world wakes up to how essential resilient supply chains are. Let us work together to strengthen them even further, addressing ethical and sustainability considerations, and continuing professional development.

Malcolm Harrison
Group CEO
Chartered Institute of Procurement & Supply

As the latest insights are revealed about the profession, there have been some successes, but we must strive to become even better.
The events of the past year have been momentous – altering the entire fabric of our professional and personal lives. Whether any of the changes we have witnessed are here to stay remains to be seen, but one thing the pandemic has done is to highlight the strategic significance of the procurement and supply chain functions, and the role they play in keeping vital services moving. Though the strain placed on global supply chains has been enormous, with disruption to manufacturing, freedom of movement and border control all posing significant challenges, procurement teams around the world have reacted with lightning-fast agility to help organisations mitigate the impact of the crisis.

Despite the widespread disruption, salary increases in procurement outstripped the national average this year and over half of professionals received a pay increase, a further indication of the value placed on the function by organisations. Gradual acclimatisation to the changes effected by the pandemic and growing confidence in new approaches to problem solving are inspiring confidence and recovery in the market, leading to a positive hiring outlook for organisations, and in turn, inspiration to move roles by professionals.

Whilst it’s hard to determine if the changes since the onset of the pandemic have altered our way of working irreversibly, it seems likely that attitudes towards flexible working have seen a permanent shift. While flexible working was already a prominent trend in procurement prior to the pandemic, COVID-19 has confirmed teams’ continuing ability to innovate, strategise and navigate challenges together, even when working in different locations - and our findings show the importance professionals place on flexible working strategies. As the wider market continues on its journey of growth and recovery, remote working will be an important element of any employer’s candidate attraction strategy, so it should be offered wherever possible.

As the procurement function continues to evolve, organisations will not only need to re-examine its role, but how it operates and where its strategic focus needs honing. For example: at what points data is harnessed, where supplier relationships can be strengthened and how innovation can be driven in category management. These are just a few of the trends we can expect to see transform the procurement function in 2021. We hope you find the insights covered in this report useful, both as you formulate your future talent management strategies, and plan for your own career development.

Scott Dance
Director, Hays Procurement & Supply Chain

We are pleased to partner with CIPS for a seventh year to continue to provide insight into the key trends and issues impacting the procurement and supply chain profession.
2021 Economic Outlook

This year’s findings are released as European economies continue the journey to recovery from the COVID-19 pandemic.

The pandemic highlighted the risks that exist in the supply chains of all organisations. That said, our report shows that procurement professionals have been at the forefront of the response to the pandemic in many organisations. This has increased the profile of procurement professionals within their organisations, with 70% of procurement professionals believing that senior executives within their organisation understand the contribution that procurement can make.

The CIPS/Hays 2021 Salary Guide clearly shows that in Europe the demand for procurement professionals continues to be very strong. Within the profession there continues to be significant growth in salaries, with an average annual increase of 6% indicating the strong demand for procurement professionals in challenging economic times.

It would be remiss of me not to draw attention to the gender pay gap in the profession. The gender pay gap reported this year is 57% between average male and female earnings. This disparity is the highest across the regions we report, and the profession must now start to examine this in greater depth; with a view to understanding why the gap exists and what can be done to eradicate it.

The pandemic has accelerated the digital agenda and accelerated the trends that were emerging in previous reports, which saw the digitalisation of operational/repetitive procurement tasks.

There is a continued focus on soft skills, with negotiation, internal stakeholder management and supplier relationship management being the most valued skills at all levels of the profession. The development of soft skills will be an increasingly important component of the future procurement professionals’ catalogue of competencies.

The pandemic has introduced significant changes in ways of working. The survey findings suggest that 30% of procurement professionals have seen an improvement in their wellbeing as a result of COVID-19. This will create significant challenges for the profession as new ways of working emerge post Covid. New working practices, however defined, will have a significant impact on attracting and retaining talent.

This report shows that attracting the right quantity and quality of talent continues to be a challenge for the profession in Europe.

The challenge for procurement professionals is clear: a rapidly changing business and technological environment requires new capabilities and competencies to be added to the procurement professional’s arsenal. The development of these capabilities combined with new ways and patterns of working will be key drivers of the profession in the next ten years.

Dr John Glen
CIPS Economist
Visiting Fellow of Cranfield University
About This Report

The CIPS/Hays Procurement Salary Guide and Insights 2021 allows procurement professionals and employers to:

- Evaluate the perceptions of procurement
- Benchmark salaries and bonuses for different roles
- Highlight career aspirations
- Gain insights on how to attract, retain and develop talent

Within each section we have set out the statistical findings of our survey alongside conclusions drawn by the experts involved in putting together the report, plus links to useful information and resources that further support the points discussed.

The findings in this report are based on research conducted in January - February 2021 via an online survey among professionals currently working in procurement. This year 6,512 professionals completed the survey globally. The research was conducted and results were analysed by market research agency Verve. The data in this report have been rounded to the nearest decimal point. Data has been reported on where base sizes are larger than 50. For base sizes of 20-50, caution has been applied. Throughout, levels of 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.

For the first time since the programme began, we have received enough responses from Europe (excluding the UK and Ireland) to report on it on a standalone basis, and are pleased to be able to provide deep-dive analysis of the region. At the time of survey development, we didn’t anticipate such a great response from the region and so didn’t include Euros as a currency of choice. Therefore, the salaries in this report are based on US dollars.

### Competency Level: Advanced Professional
- Head of Procurement, Procurement Director, Commercial Director, Chief Procurement Officer, Supply Chain Director, Head of Sourcing.

### Competency Level: Professional
- Procurement Manager, Purchasing Manager, Senior Category Manager, Supply Chain Manager, Strategic Procurement Manager, Operations Manager, Commercial Manager, Head of Logistics.

### Competency Level: Managerial
- Senior Buyer, Category Manager, Contracts Manager, Contracts Officer, Logistics Manager, Supply Chain Executive.

### Competency Level: Operational
- Buyer, Procurement Specialist, Supply Chain Analyst, Procurement Executive, Procurement Officer, Supply Chain Planner, Logistics Analyst.

### Competency Level: Tactical
- Purchasing Assistant, Assistant Buyer, Administrative Assistant, Stock Controller, Contracts Administrator, Inventory Planner, Assistant Contracts Officer.

This report is divided into four sections:

1. Procurement: Perceptions, Challenges, Skills and Opportunities
2. Salaries, Bonuses and Benefits
3. Talent Management
4. Equality, Diversity & Inclusion (ED&I) in the Workplace
In a year like no other, procurement and supply has been thrust into the limelight by the COVID-19 pandemic. Professionals have had to adapt to significant and sudden disruptions to their supply chains, and procurement teams have had to adopt creative and innovative ways to keep supply chains operating through a very turbulent year.

Many professions and sectors have seen significant change over the last year as operations were diverted in new and different directions to survive. As supply lines were cut and suppliers failed to deliver, leading to goods shortages in some instances, the procurement and supply profession became much more visible to the wider public, increasing the awareness and appreciation of the role. With a varying impact to supply chains in different countries, and different rules and restrictions in place across the continent, the pandemic has highlighted the need for agile and adaptable supply chains for all.

Despite the challenges – with many supply chains stretched to capacity and beyond – 67% believe that procurement is now more valued within their organisation than it was last year. Procurement activities are now more likely to be understood by senior managers, as the strategic importance of securing the right suppliers is increasingly being recognised, and subsequently, the talented individuals that can make it happen.

Encouragingly, this is reflected in our salary data. We’ve seen a 6% average salary increase for procurement professionals in Europe this year, boosted by an average bonus of 13.4% for those who received one. Professionals are also enjoying a greater range of benefits, with many benefiting from a work mobile phone, flexible working and the ability to work from home. However, with these benefits becoming increasingly commonplace, it will be important for employers to offer them (and more) to their staff in order to attract and retain the best talent, and that could include boosts to their career such as qualifications and additional training.

Soft skills remain on the agenda for hiring managers: the ability to lead, communicate effectively and manage suppliers and stakeholders is as important as ever. As the profession grows in confidence and prominence, it will become increasingly important for leaders to focus on these soft skills. These are important training areas for procurement departments to invest in to ensure they are well-equipped to deal with future risks, building more resilience into supply chains.

Whatever challenges you are facing as an individual, business, or department, I hope the insights in this first-ever European report will set you on the right road to find the best people for your team and to develop your career in the years to come.

Duncan Brock
Group Customer Relationships Director
CIPS

Europe
In a year like no other, procurement has been thrust into the limelight by the COVID-19 pandemic. Procurement professionals have had to adapt to significant and sudden changes to supply chains, playing an instrumental role in ‘keeping things moving’ through several lockdowns.

Perceptions of procurement and supply management are positive, with 62% of respondents believing that the profession is valued within their organisation. There have been improvements in the last year, with 67% believing that there has been a positive change. Encouragingly, there is recognition from senior audiences, with Directors and Heads of other departments understanding what procurement specialists can offer. This suggests that the pandemic has emphasised the strategic benefits of a strong procurement function.

CIPS TIPS

- Guidance: Communication and Soft Skills
- Guidance: Stakeholder Management
- Guidance: Procurement Leaders
- Article: Three Lessons for CPOs Using Behavioural Science

"It's no surprise that risk remains foremost in business minds after the pandemic and the shocks will keep coming in the years to come as environmental, technological and socio-political threats lie on the horizon. Building resilience in supply chains is an imperitive that can't be ignored, and now's the time to reflect on what were the wins and losses over the years and how strength can be built-in. That strength primarily lies in businesses understanding that procurement as a strategic partner will bring those future rewards.

Duncan Brock
Group Customer Relationships Director CIPS"
Key Challenges

41% believe that managing risk in the supply chain will be a key challenge for procurement professionals in the next 12 months.

COVID-19 has had a significant impact on the procurement profession. As is the case for many professions, we’ve had to change and adapt to new circumstances and ways of working, which offers both challenges and opportunities to bring in positive changes. Whilst many have successfully implemented new practices, there is a perception that managing risk in the supply chain will continue to be a key short-term challenge.

Reacting to change and adapting sourcing strategies is key to risk mitigation, as is collaborating to find innovative ways of working to build resilience in supply chains.

Internal challenges also dominate, with concerns over not being seen as a strategic partner to the business. It’s important that the procurement function is championed within the organisation to ensure it can meet stakeholders’ objectives and deliver on strategic projects. Where possible, engagement in projects at the earliest stages helps to raise the profile and highlights the value of the profession. This is particularly important as managing costs whilst maintaining quality and budget restraints are two other key challenges over the coming year, likely driven by COVID-19. Continuing to show the value of procurement, both internally and to those outside the profession, will be key to supporting recovery from the pandemic and maximising value.

TOP FIVE MAIN CHALLENGES FOR PROCUREMENT IN NEXT 12 MONTHS

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Risk in the Supply Chain</td>
<td>41%</td>
</tr>
<tr>
<td>Being seen as a Strategic Partner to the Business</td>
<td>34%</td>
</tr>
<tr>
<td>Managing Costs While Maintaining Quality</td>
<td>34%</td>
</tr>
<tr>
<td>Budget Restraints</td>
<td>33%</td>
</tr>
<tr>
<td>Recovery from the COVID-19 Pandemic</td>
<td>31%</td>
</tr>
</tbody>
</table>

CIPS TIPS

- **Guidance:** Mitigating Supply Chain Risk
- **Tool:** CIPS Risk and Resilience Assessment Tool
- **Tool:** CIPS Risk Tools
- **Podcast:** Best Approach to Risk Mitigation
- **Podcast:** Financial Analysis to Identify Risk

The increased understanding from senior audiences of what procurement specialists can offer to an organisation this year demonstrates the visibility of its role during the pandemic: minimising damage to the economy, mitigating risk to supply chains and providing crucial support that has enabled organisations to maintain business continuity. Looking ahead, the trends that we have seen emerging in procurement this year will be crucial to implementing enduring business practices that are both responsible and sustainable.

Scott Dance, Director
Hays Procurement & Supply Chain
As demands on procurement professionals have continued to evolve, so have the associated skills needed to succeed in the role. As with last year, soft skills continue to dominate the top five skills in demand across all sectors, with supplier relationship management (SRM) being particularly crucial. At a time when procurement specialists are relied upon more than ever, continuing to manage supplier relationships through effective communication and strong influencing skills is critical to ensure cost-effective and strategically sound procurement solutions.

Whilst strong soft skills and the ability to engage and influence stakeholders in a collaborative way are becoming essential for professionals, they should be underpinned by credible technical skills, with negotiation a key technical skill required in the profession. With budgets likely to tighten over the coming months, negotiating the best rates and ensuring the best suppliers are sourced will be essential. This is to provide organisations with the best chance of successfully navigating the pandemic.

The challenges of COVID-19 have helped to increase the spotlight on negotiation and supplier relationship management skills this year. When delivered correctly, effective negotiation strategies can help increase profit margins and cement relationships with critical suppliers, whilst supplier relationship management helps to align strategic objectives and drives communication between relevant stakeholders, building a solid foundation for the mitigation of risks and improved efficiencies.

Scott Dance, Director
Hays Procurement & Supply Chain
**Salaries**

Despite the obvious commercial challenges of the last 12 months, employers are continuing to reward procurement professionals with bonuses and increased salaries. However, the distribution of rewards is arguably more dependent on how well sectors and industries have withstood the economic downturn, than it is a reflection of individual performance. The average salary for procurement professionals is $92,070, with 49% of those eligible receiving a salary increase in the last year. The average salary increase for procurement professionals is 6%. It’s encouraging to see resilience from the profession in the face of adversity – a further indication of the increasing status and value of the function across sectors and industries.

Salaries continue to remain higher in the private sector, with procurement professionals being paid on average 78% more than in the public sector.

**$92,070**
Average salary for all procurement and supply professionals

**6%**
Average procurement professional pay rise

**$92,070**
Average salary for all procurement and supply professionals

**$184,017**
Advanced Professional

**$101,600**
Professional *

**$104,179**
Private Sector

**$60,940**
Managerial

**$48,524**
Operational

**$29,813**
Tactical

**$58,524**
Public Sector

**49%**
Have received a pay rise in the last 12 months

**Tool:** Interactive Global Salary Map

The fact that many procurement professionals have received substantial pay increases during the past year has demonstrated both the importance assigned to the function and increased investment in it – both positive signs of its crucial role in times to come. Employers will now need to evaluate how employee priorities have changed during what has been a very turbulent year, and tailor their benefits packages accordingly to ensure they’re able to secure the talent they need.

Scott Dance, Director
Hays Procurement & Supply Chain
Salaries by Gender

Gender pay gap reporting is something we continue to monitor closely. There is a 57% disparity between the average male and female salaries, indicating that significant work remains for organisations to address the issue of imbalance and to ensure that women continue to join and remain in the procurement profession.

An improved gender balance offers many advantages for organisations, from greater innovation to improved productivity and more. It’s crucial that the procurement profession continues to strive for better when it comes to Equality, Diversity and Inclusion (ED&I), even though many organisations continue to face economic challenges. Making comprehensive ED&I policies a core part of their talent acquisition and retention strategy is key for organisations looking to attract more women into procurement, as is the tailoring of flexible working options.

The gender pay gap extends into all sectors this year. There is a need for organisations not only to address the pay gap, but also to be more transparent around pay grade structures: only 46% of survey respondents felt that their organisation had a transparent pay grade structure in place. Whilst this is heading in the right direction, considerable work remains to redress the balance.

### SALARY BY GENDER

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>Disparity</td>
<td>$45,655</td>
<td>$68,468</td>
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<tr>
<td></td>
<td>$107,699</td>
<td>$68,468</td>
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</table>

### SALARY BY GENDER AND SECTOR

#### PRIVATE SECTOR

<table>
<thead>
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<tbody>
<tr>
<td>Disparity</td>
<td>$51,857</td>
<td>$72,256</td>
</tr>
<tr>
<td></td>
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<td>$72,256</td>
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#### PUBLIC SECTOR

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<th>Female</th>
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</thead>
<tbody>
<tr>
<td>Disparity</td>
<td>$4,270</td>
<td>$60,659</td>
</tr>
<tr>
<td></td>
<td>$56,389</td>
<td>$60,659</td>
</tr>
</tbody>
</table>

57% average gender pay gap

46% Have a transparent pay grade


**Professional Recognition**

**12%**

average salary disparity
across all levels
MCIPS v Non-MCIPS

**35%**

request MCIPS (or studying towards) as a preference when recruiting

**43%**

would give further consideration for candidates with FCIPS

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MCIPS is the global standard for the profession, demonstrating professional relevance and credibility. Those with the MCIPS designation have advantage in terms of career progression, with increased demand from employers and higher rewards and earning potential for their work.

The importance of studying towards and showing commitment to qualify for MCIPS is evident this year, with those achieving MCIPS status able to demand greater remuneration for their dedication to the profession.

As we might expect, employers are willing to pay a premium for these individuals, being rewarded with higher salaries. Likewise, those with FCIPS are more likely to enjoy higher salaries than those without, indicating that the benefits of formal CIPS qualifications carry through to the highest levels of seniority.

Besides higher salaries, MCIPS offers a more positive career outlook, with 35% of employers requesting MCIPS (or studying towards MCIPS) as a preference when recruiting. This is likely to be driven by the technical knowledge gained from the qualification as well as the dedication required to pursue it: individuals motivated to invest time in further study show ambition and a thirst to succeed. Similarly, upgrading to Chartered status (which is free of charge for eligible MCIPS) further indicates a desire for continuous professional development and shows clear commitment to ethical practice and lifelong learning.

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**MCIPS SALARY DISPARITY**

<table>
<thead>
<tr>
<th></th>
<th>Salary</th>
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<tbody>
<tr>
<td>MCIPS*</td>
<td>$100,833</td>
</tr>
<tr>
<td>Disparity</td>
<td>$10,855 ↓ 12%</td>
</tr>
<tr>
<td>Non-MCIPS</td>
<td>$89,978</td>
</tr>
</tbody>
</table>

*low base

**INCIDENCE OF RECEIVING A SALARY INCREASE**

<table>
<thead>
<tr>
<th></th>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>MCIPS</td>
</tr>
<tr>
<td>48%</td>
<td>Non-MCIPS</td>
</tr>
</tbody>
</table>

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**CIPS TIPS**

- **Guidance:** MCIPS - Your Professional Licence
- **Podcast:** How to Own Your Career Development Plan
- **Podcast:** How to Develop Your Own Personal Brand
Bonuses

Nearly two thirds (64%) of those surveyed were eligible for receiving a bonus; of those who were eligible, 79% received a bonus in the last 12 months. For 49%, the pandemic didn’t impact on their bonus level, whilst 26% received a lower bonus than expected. 69% received their bonus based on company targets, 64% achieving personal targets and 30% achieving team targets. There is a preference for personal targets to determine the bonus received (75% vs. 44% preferring the bonus to be based on the company achieving targets). The eligibility for receiving a bonus increases with seniority, as does the size of the bonus.

Compared to other sectors, the private sector boasts the largest proportion of procurement professionals eligible for a bonus. This reflects the private sector’s higher salaries, particularly as bonuses are typically offered as a percentage of overall salary. The receipt of a bonus tends to be defined by the achievement of company targets (69%) or by the achievement of personal targets (64%). However, there is a strong preference for bonuses to be based on personal targets, indicating a disconnect between preference and what is currently offered.

Many organisations, especially those operating in industries more acutely affected by the pandemic this year, such as hospitality and retail, have seen some challenges around bonuses. However, eligibility still broadly remains high.

Scott Dance, Director
Hays Procurement & Supply Chain
Benefits

Working from home is the most common benefit available, with 68% receiving it.

In a year where remote working has become the norm due to COVID-19, many procurement professionals have benefitted from more flexible working practices than in the past. Whether it's flexibility in choosing where to work or when, these relaxations have meant that employees have more freedom when juggling the different priorities in their lives, resulting in improved work-life balance. Home working is likely to be here to stay (to varying degrees) and so many prospective job candidates will be expecting to see this as a standard benefit when applying for a job. They’ll also be looking for other indicators of flexibility beyond home working, such as compressed hours and flexible timetables.

A different set of challenges comes with increased flexibility, particularly around maintaining a strong organisational culture and team spirit. It’s crucial that employers adapt their approach, so that all employees feel included, supported and united behind a common goal. Encouragingly, organisations are offering a more diverse range of benefits than employees may expect. As the ‘disparity gaps’ between desired and received benefits indicate below, four of the top six benefits are received by more people than would have expected (or desired) them.

### AVERAGE GAP BETWEEN BENEFITS DESIRED VS. RECEIVED

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Desired</th>
<th>Received</th>
<th>Gap</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Medical Insurance</td>
<td>48%</td>
<td>49%</td>
<td>1%</td>
<td>More than desired</td>
</tr>
<tr>
<td>Flexible Working Hours</td>
<td>39%</td>
<td>56%</td>
<td>17%</td>
<td>More than desired</td>
</tr>
<tr>
<td>Support for Study/Career Development</td>
<td>33%</td>
<td>21%</td>
<td>12%</td>
<td>Less than desired</td>
</tr>
<tr>
<td>Car Allowance/Company Car</td>
<td>38%</td>
<td>21%</td>
<td>17%</td>
<td>Less than desired</td>
</tr>
<tr>
<td>Above Statutory Pension Contributions</td>
<td>24%</td>
<td>27%</td>
<td>3%</td>
<td>More than desired</td>
</tr>
</tbody>
</table>

### TOP THREE FLEXIBLE WORKING ARRANGEMENTS

- **Home or Remote Working**: 81%
- **Flexi-time**: 55%
- **Informal Flexible Working**: 38%

Podcast: How to Attract and Retain the Best Talent
Benefits Employees Prioritise as a Result of COVID-19

30% believe their work-life balance has improved as a result of COVID-19

It’s hard to imagine that the pandemic has had any positive effects over the past year, but with a huge move towards remote working and more flexibility within the workplace, for many people, work-life balance has improved. The working landscape has changed, with 47% of procurement professionals expressing a preference to continue working remotely over the next 12 months, and an appetite for hybrid working arrangements also in evidence. Only 2% would like to return to the office full-time. Providing support for team members to work from home and setting up hybrid working models will be crucial to maintaining job satisfaction and staff loyalty. It’s clear that there isn’t a ‘one size fits all’ approach, so providing flexibility in how team members choose to work will be crucial for both attracting and retaining candidates.

Flexible working is not a new concept for procurement and has been a prevalent trend within the function for some time prior to the pandemic. However, the past year has taken this to new extremes, and procurement professionals have successfully executed projects and undertaken a number of responsibilities entirely remotely. The question now will be how to adapt this remote working model into more of a flexible ‘hybrid’ one as the world begins to transition, and for many professionals an increased focus on skills development, including agility and adaptability, will be key.

Scott Dance, Director
Hays Procurement & Supply Chain
In a year where we’ve seen huge changes in the workplace, there is still a struggle to find the right talent. Crucially, employers need to recognise changing mindsets around the role of work and reflect these changing priorities in their hiring practices. Employees are looking beyond salaries and financial benefits to initiatives that will support their wellbeing and help them maintain a healthy work-life balance.

The key challenge facing hiring managers is the difficulty in finding applicants with the right skills – in particular, sector-specific skills, technical skills and evidence of formal procurement training. This year, we’ve seen more than half of the employers surveyed struggling to find candidates with formal procurement training. This highlights the benefits of achieving or studying towards MCIPS – it sets candidates apart from other applicants and tackles the need for professionals with strong technical skills.

With 22% expecting to increase the number in their procurement team in the next 12 months, it’s important that companies reflect a positive, inclusive and understanding image that aligns with candidates’ expectations, in order to attract the best talent.

Although a lack of technical skills is one of the key challenges facing hiring managers, soft skills top the list of ‘skills in demand’ again this year. Whilst soft skills are important across all levels – particularly communication and supplier relationship management – they are particularly crucial at more senior levels. Soft skills help to strengthen and nurture relationships within organisations, elevating the procurement function. They are arguably more important when remote working is the norm – when teams are unable to meet in person, leaders must have the soft skills needed to support their teams and communicate effectively with stakeholders in the wider organisation.

“While technical skills are very important for a professional to be able to do their job well, these skills are usually easier to teach than soft skills such as good communication and stakeholder management. Focus on hiring for potential – when recruiting, keep on the lookout for professionals who demonstrate strong soft skills and try to show flexibility with those who do not necessarily have all the technical skills you would ideally like. In your existing team, consider what training options your organisation can provide to help professionals to continue developing their soft skillset.”

Scott Dance, Director
Hays Procurement & Supply Chain
Employee Movement Plans

44% expect to be moving to a new role within the next six to twelve months

Despite the turbulent circumstances, there is still an openness to moving roles among procurement professionals, with just under half expecting to move to a new employer in the next year. Many have had the opportunity to carefully evaluate their current situation, so as new job opportunities start to be advertised, professionals will open their eyes to new possibilities if their current role isn’t meeting their needs.

One of the prime motivations for seeking a new role is career advancement. Of the procurement professionals we interviewed, 80% are motivated to advance their career by seeking a more senior procurement role in the next two years. This highlights the need to offer a supportive environment, with clear progression paths to ensure the best talent is retained within organisations; if it’s unclear how they would be promoted internally, they are likely to be drawn to external opportunities.

When looking for a new role, candidates will research the company and look to understand what the company offers and its reputation, its diversity and inclusion policies and training and investment opportunities as well as working practices and any flexible working policies that may be in place. Procurement professionals primarily look at salary, content of the work and career progression opportunities when looking to move.

Procurement professionals looking for a new role want to ensure they are moving to a secure role, which will contribute to their longer term career development: career progression opportunities rank highly as important factors when considering a new job. This indicates that a strong and established training programme is instrumental in attracting and retaining the best talent. As the economy starts to open up and life (ostensibly) returns to normality, procurement professionals will be keen to ensure that their career plans are ‘back on track’. Proactive discussions from procurement leaders about supporting their teams’ career ambitions are likely to go a long way.

Consistently, enjoying the current job and retaining work-life balance are key reasons not to pursue a more senior role or look to switch jobs. Whilst four in ten say that enjoying their job is a good enough reason to stay with their current employer, this means that for the majority, job satisfaction alone isn’t a strong enough motivator to stay. Rather, a combination of compelling factors is likely to be necessary for retaining the best talent.

TOP FIVE REASONS TO STAY WITH CURRENT EMPLOYER

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Enjoy the Job I Have Now</td>
<td>36%</td>
</tr>
<tr>
<td>Want to Retain the Work-Life Balance I Have Now</td>
<td>22%</td>
</tr>
<tr>
<td>Been Recently Promoted</td>
<td>19%</td>
</tr>
<tr>
<td>Training and Development Needed to Step up to a New Role</td>
<td>16%</td>
</tr>
<tr>
<td>Have an Inspirational Manager</td>
<td>16%</td>
</tr>
</tbody>
</table>

TOP TEN MOST IMPORTANT FACTORS WHEN CONSIDERING A NEW JOB

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>75%</td>
</tr>
<tr>
<td>The Content of the Work</td>
<td>69%</td>
</tr>
<tr>
<td>Career Progression Opportunities</td>
<td>67%</td>
</tr>
<tr>
<td>Management Team</td>
<td>63%</td>
</tr>
<tr>
<td>Company Is Committed to Staff Training and Development</td>
<td>58%</td>
</tr>
<tr>
<td>Company Reputation</td>
<td>56%</td>
</tr>
<tr>
<td>Company Is Committed to Equality, Diversity and Inclusion</td>
<td>55%</td>
</tr>
<tr>
<td>Company Is Well Known for Ethical Practices/Sustainable Practices/Ethical Sourcing</td>
<td>52%</td>
</tr>
<tr>
<td>Procurement Is Highly Valued Within the Company</td>
<td>51%</td>
</tr>
<tr>
<td>Reassurance About Job Security</td>
<td>50%</td>
</tr>
</tbody>
</table>

CIPS TIPS

- Podcast: How to Own Your Own Career Development Plan
- Podcast: How to Attract and Retain the Best Talent
- Podcast: How to Develop Your Own Personal Brand
- Podcast: How to Maintain an Inclusive Workplace Culture
- Guidance: CIPS ED&I Hub
Equality, Diversity & Inclusion (ED&I) in the Workplace

89% agree that a diverse and inclusive workplace is more open and trusting, helping to improve staff retention

One of the many things that the pandemic and shift to greater remote working has highlighted for procurement is the varied needs and requirements of employees. To operate effectively, organisations need to ensure that their workforce truly represents the communities they operate in and serve. When those from diverse backgrounds work together to create a service we all rely on, the outcome is much more likely to benefit everyone. It’s clear that procurement professionals celebrate the many benefits that ED&I brings to the internal talent pool, organisational culture and company reputation. It signals that the organisation is open, forward-thinking and actively puts people at the heart of its business model: the sort of business that talented individuals are proud to work for, whether or not they belong to an under-represented group themselves. This shows how important it is to pursue an ED&I strategy: not just for its own merits, but to attract and retain talented staff.

39% use unbiased language to describe vacancies, organisation and culture

Whilst two in five firms we surveyed were conscious to ensure unbiased language is used to describe vacancies, organisation and culture, it is clear that there is still some way to go in terms of setting concrete and transparent targets to improve performance: only a minority of firms have set and implemented diversity targets when hiring. There is certainly appetite for leadership and guidance on how to embed ED&I best practice within organisations.

REASONS TO ENGAGE IN DIVERSE AND INCLUSIVE HIRING PRACTICES BREAKDOWN

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A More Attractive Place to Work for Prospective Candidates Which Increases Access to Skills from a Wider Talent Pool</td>
<td>91%</td>
</tr>
<tr>
<td>Greater Creativity and Innovation in My Team</td>
<td>89%</td>
</tr>
<tr>
<td>A More Open and Trusting Place to Work Helping to Improve Staff Retention</td>
<td>89%</td>
</tr>
<tr>
<td>Helps Employees to Reach Their Full Potential</td>
<td>85%</td>
</tr>
<tr>
<td>Improved Productivity in My Team</td>
<td>82%</td>
</tr>
</tbody>
</table>

MEASURES TAKEN TO ENSURE DIVERSE AND INCLUSIVE HIRING PRACTICES

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used Unbiased Language to Describe Vacancies, Organisation and Culture</td>
<td>39%</td>
</tr>
<tr>
<td>Ensured That Imagery and Branding in Recruitment Material Reflects a Diverse Workforce</td>
<td>34%</td>
</tr>
<tr>
<td>Ensured Interview Panels Are Diverse</td>
<td>32%</td>
</tr>
<tr>
<td>Provided Training for Hiring Managers to Reduce Unconscious Bias When Hiring</td>
<td>30%</td>
</tr>
<tr>
<td>Implemented Diversity Recruitment Targets</td>
<td>28%</td>
</tr>
<tr>
<td>Set Diversity Targets for the Recruitment Agencies We Engage with</td>
<td>11%</td>
</tr>
<tr>
<td>None</td>
<td>28%</td>
</tr>
</tbody>
</table>
Amidst the ongoing uncertainty, a demand for procurement talent remains, and there are still significant skills shortages in many areas. Whilst learnt technical skills remain crucial, the unique challenges of the pandemic have shifted the spotlight heavily to soft skills this year. Supplier relationship management and communication have emerged as critical to maintaining proactive relationships with key stakeholders and thus building strategically sound procurement solutions.

With procurement professionals having demonstrated their integral role in keeping organisations moving and turning supply chain disruption and complexity into significant change, the strategic value they add is now increasingly being recognised by senior leaders. As we’ve seen, the proportion of Directors and Heads of other departments who understand what procurement specialists can offer increased significantly on last year.

With the value of procurement now more widely recognised than ever, hiring plans are expected to remain strong. Activity levels – in the private sector in particular – are making a strong recovery, and consequently it will be vital for employers to formulate a competitive candidate attraction strategy that reflects employees’ changed priorities as we emerge into a more flexible, ‘hybrid’ working world. Organisations must take steps to identify where their skills shortages lie and tailor their hiring strategy accordingly if they are to successfully navigate the ongoing challenges of the months ahead.

Though there has been some caution with regards to employee movement this year, professionals are still showing an openness to moving for the right opportunity. Salary remains the most important factor to those looking for a new role, with job security following closely behind – a reflection of the wider economic disruption that has resulted from the pandemic. Other factors that emerged as important include the content of the work and career progression opportunities, which employers looking to hire should take care to showcase as part of their employee value proposition.

It is also clear that the pandemic has perhaps effected a fundamental shift in priorities for professionals in terms of benefits. With flexible working likely a trend that’s here to stay, organisations must consider how they can harness the potential of these new working practices not just to attract potential candidates, but also protect the wellbeing of their existing workforce. Providing increased flexibility around working practices not only opens up roles to a more diverse group of applicants, but can also help organisations create a more inclusive culture where employees feel supported, seen and heard.

Carefully re-evaluating employee priorities in the face of continuously changing circumstances will help employers both attract and retain talent in the coming months. This will be crucial if organisations are not only to navigate the operational challenges of the months ahead, but build resilience for the future.

Scott Dance
Director, Hays Procurement & Supply Chain

There can be no doubt that this year has been a turbulent one, but procurement has shown itself to be both resilient and adaptable as a function, helping organisations mitigate disruption to supply chains, maintain business continuity and most importantly, support the communities they serve.
It has been such a turbulent year for the world’s supply chains; with disruptions and lockdowns near and far, procurement and supply chain managers have had to step up to the plate.

This year’s survey continues to demonstrate the value of formalising and enhancing these skills, supported by professional qualifications. It is also evident that MCIPS remains the gold standard for employers across a global competitive marketplace when looking for individuals who will make a positive impact on their business and demonstrate a level of achievement and skill for the modern world.

Skills in Demand

As we reflect on the lessons of the pandemic and look to the future, what now for procurement and supply professionals in 2021 and beyond? I would say continue to develop professionally through CPD programmes whilst paying particular focus on soft skills. Effective communication in an ever more digitalised world is increasingly important, particularly when working with suppliers and negotiating or managing teams remotely. In addition to continued professional development, I would urge all procurement and supply professionals to remain committed to ethical procurement strategies and, in particular, help raise awareness of modern slavery in supply chains. Whether looking through a personal or organisational lens, this is what strong, sustainable procurement practices will be founded on right now.

Next-generation Talent

A strong commitment to equality, diversity, and inclusion is something I am very passionate about and incredibly important to the development of strong, resilient supply chains. We all need to be as inclusive as possible and listen to the full range of different voices, views and ideas and capture the very best in innovative thinking. Driving transparency in supply chains and working to close the gender pay gap, which remains painfully evident, should be key focus areas in our drive to become fit for the present and the future.

Summary

We have so much to be proud of in our profession. I have witnessed the achievements of many unsung heroes over the last year working in the food sector, in retail, in healthcare, and more. I hope this spirit of striving to tackle challenges head-on, and building resilience in business continues, where continued professional development remains at the forefront of employers’ and individual’s minds, as the engine to achieve all this. We must all be self-aware, accountable and take action to drive positive change to ensure we are ready for future disruptions when they emerge, as I am sure they will.