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
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.

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.

Scott Dance
Director, Hays Procurement & Supply Chain
Equality, Diversity & Inclusion (ED&I) in the Workplace

One of the many things that the pandemic and shift to greater remote working has highlighted for procurement is employees’ varied needs and requirements. To operate effectively, organisations need to ensure that their workforce truly represents the communities they operate in and serve.

74% believe their organisation is committed to developing a diverse and inclusive team

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.

Having an ED&I strategy in place shows 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, regardless of gender, ethnicity or sexual orientation. This shows how important it is to pursue an ED&I strategy: not for its own merits alone; but to attract and retain talented staff.

Sarie Homan
Head of CIPS South Africa Professional Body

The world has transformed over the past year, and consequently so must our approach to equality, diversity and inclusion (ED&I). The shift to remote working has provided organisations with the unique opportunity to demonstrate a great deal more flexibility with regards to location and working hours, and it will be crucial that they understand how – in the dimensions of their business – they can foster a culture that welcomes and supports a wealth of different personal circumstances.

The value, moreover, that professionals increasingly attribute to diverse and inclusive hiring practices must be recognised, particularly with regards to the positive impact they have on staff retention and creativity and innovation. A commitment to using inclusive language and diverse imagery in recruitment materials, providing conscious inclusion training to key stakeholders and ensuring hiring panels are convened to take in a range of opinions, are examples of purposeful and positive action. Supporting key cultural and community events is an effective way to increase awareness and understanding of aspects of difference. Inviting and actioning employee feedback and sharing commitments and progress based on that feedback, will increase confidence and help embed sustainable change towards a culture of openness, respect and belonging. All these will help improve both retention and morale.

Yvonne Smyth, Group Head of Equality, Diversity & Inclusion, Hays
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. In each section there are 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 globally completed the survey. The research was conducted and results were analysed by the market research agency, Verve.

The data in all graphs is based on 2021 respondents only. This year we have had the highest response rate from South Africa, with a 57% increase in response rate compared to 2020. It's important to note that whilst some significant differences year on year have been highlighted, the sample profiles each year differ based on who answers the survey. Data has been reported on where base sizes are larger than 50. For base sizes of 20-50, caution has been applied. 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**

- **Advanced Professional**
- **Professional**
- **Managerial**
- **Operational**
- **Tactical**

**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, Senior 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.
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, taking an instrumental role in keeping the supply chains moving through a very turbulent year.

The vast majority of professions have seen significant change over the last year. For procurement and supply professionals, our work has become much more visible to the wider public, which has had a knock-on effect on the awareness and appreciation of our role.

Despite the challenges – with many supply chains stretched to capacity and beyond – 74% believe that procurement is now more valued within their organisation than it was last year. Procurement activities are also now more likely to be valued and understood by senior managers, as the strategic importance of securing the strongest suppliers has increased, resulting in increased efforts for professionalisation of the procurement profession, in particular in the public sector.

These factors contribute to this year’s strong job satisfaction figures: 78% of procurement professionals are now either equally satisfied or more satisfied in their roles than 12 months ago. Moreover, for 71% working in procurement and supply was a conscious decision.

Soft skills remain on the agenda for hiring managers: the ability to negotiate, 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 soft skills. These are important training areas for procurement departments to invest in to ensure they are well-equipped to deal with future challenges. Looking ahead to the future, focusing on soft skills and nurturing talent within will be crucial to maintaining the strongest talent in the profession.

The spotlight thrown on procurement during the past year has both highlighted its wider importance and increased visibility and appreciation of the function. However, the same challenges and complexities that have called attention to its value have also increased the need for more sensitive and strategic communication. The challenge now for professionals will be to ensure their soft skills are fully optimised for new ways of working that are almost certainly here to stay in some form. Leaders in particular will need to consider how they can ensure they are communicating internally to their teams in ways that are both clear and culturally inclusive.

Sarie Homan
Head of CIPS South Africa Professional Body

Scott Dance, Director
Hays Procurement & Supply Chain

“The spotlight thrown on procurement during the past year has both highlighted its wider importance and increased visibility and appreciation of the function. However, the same challenges and complexities that have called attention to its value have also increased the need for more sensitive and strategic communication. The challenge now for professionals will be to ensure their soft skills are fully optimised for new ways of working that are almost certainly here to stay in some form. Leaders in particular will need to consider how they can ensure they are communicating internally to their teams in ways that are both clear and culturally inclusive.”
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, taking an instrumental role in ‘keeping the country moving’, and becoming the unsung heroes of the pandemic.

Perceptions of procurement and supply chain management remain consistently positive, with 78% of respondents believing that the profession is valued within their organisation. There have been improvements in the last year, with 74% believing that there has been a positive change. Encouragingly, there is increasing recognition from senior audiences, with more Directors and Heads of other departments understanding what procurement specialists can offer – an increase by 13% compared to last year. This shows how organisations increasingly rely on procurement to achieve and maintain a competitive edge. This results in procurement being seen more as a value driven function rather than the conventional purchasing department.

Despite the challenges the procurement profession has faced these past 15 months, the market remains hungry for procurement and supply professionals with skills such as negotiation, communication, sourcing, and relationship management. Internal stakeholder management remains key to raise the profile and value of procurement, and the professionalisation of the profession will serve as a powerful mechanism to address reduction of funds in the public sector. The gender pay gap remains an area of concern, and the procurement profession must strive for better ED&I. The hybrid working model is envisaged to increase job satisfaction and nurture both individual and organisational agility and resilience, which can enable growth and retention of a stronger female talent pool with equitable remuneration. MCIPS recognised procurement professionals are ready to take on the next black swan event.

**CIPS TIPS**

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

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**How Procurement Is Viewed**

**HOW PROCUREMENT IS VIEWED**

- **78%**
  - Procurement is very much valued within my organisation

- **75%**
  - Directors and Heads of other departments in my organisation understand what procurement specialists can offer

- **74%**
  - Perception of procurement has improved in the last 12 months

- **73%**
  - Procurement is engaged from the start of a project

- **67%**
  - Staff in other departments in my organisation understand what procurement specialists can offer

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> Despite the challenges the procurement profession has faced these past 15 months, the market remains hungry for procurement and supply professionals with skills such as negotiation, communication, sourcing, and relationship management. Internal stakeholder management remains key to raise the profile and value of procurement, and the professionalisation of the profession will serve as a powerful mechanism to address reduction of funds in the public sector. The gender pay gap remains an area of concern, and the procurement profession must strive for better ED&I. The hybrid working model is envisaged to increase job satisfaction and nurture both individual and organisational agility and resilience, which can enable growth and retention of a stronger female talent pool with equitable remuneration. MCIPS recognised procurement professionals are ready to take on the next black swan event.

*Sarie Homan*

*Head of CIPS South Africa Professional Body*
Key Challenges

46% believe that recovering from the COVID-19 pandemic 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.

TOP FIVE MAIN CHALLENGES FOR PROCUREMENT IN NEXT 12 MONTHS:

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery from the COVID-19 Pandemic</td>
<td>46%</td>
</tr>
<tr>
<td>Budget Restraints</td>
<td>41%</td>
</tr>
<tr>
<td>Managing Risk in the Supply Chain</td>
<td>39%</td>
</tr>
<tr>
<td>Managing Costs While Maintaining Quality</td>
<td>38%</td>
</tr>
<tr>
<td>Being Seen as a Strategic Partner to the Business</td>
<td>28%</td>
</tr>
</tbody>
</table>

Whilst many have successfully implemented new practices, recovery from the pandemic will be a key short-term challenge. Continuing to show the value of procurement to those outside the profession by being solution-driven, and adding value to the business by optimising sourcing opportunities to reduce input costs, while still managing to address the requirements of the business, will be key to full recovery.

Budget restraints are also identified as a challenge to overcome, driven by cuts and lack of funding in the public sector especially. Continuing to raise the profile and value of procurement internally, and the professionalisation of the profession will be key to address reductions of funds in the public sector.

Managing risk in the supply chain continues to prove challenging for procurement professionals. Keeping up with developments and changing regulations is key to tackling this challenge, as is staying informed of changes in the supply chain.

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.
# Importance of Key Skills

## Top three skills in 2021 (across all sectors)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Skill</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Negotiation</td>
<td>54%</td>
</tr>
<tr>
<td>2</td>
<td>Supplier Relationship Management</td>
<td>49%</td>
</tr>
<tr>
<td>3</td>
<td>Sourcing</td>
<td>45%</td>
</tr>
</tbody>
</table>

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.

Communication also features heavily as an important skill across all levels, but is particularly important at the tactical level. As many have transitioned to a remote working environment, we’ve needed to adapt our communication styles to ensure that communications with colleagues, stakeholders and suppliers remain clear and effective. This suggests that a focus on training individuals in this vital skill will give a significant boost to any procurement team. It is likely that we will see crucial change over the next few years, as a result of the increased focus on skills development and training.

Whilst soft skills are becoming increasingly important within the industry, they should be underpinned by credible technical skills, with negotiation and sourcing being key across sectors. With budgets likely to tighten over the coming months, negotiating the best rates and ensuring the prime suppliers are sourced will be essential, to allow professionals to deliver organisational value regardless of circumstances.

## TOP FIVE MOST IMPORTANT SKILLS BY JOB LEVEL

### ADVANCED PROFESSIONAL

<table>
<thead>
<tr>
<th>Key</th>
<th>Soft skills</th>
<th>Technical skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>59%</td>
<td></td>
</tr>
<tr>
<td>Internal Stakeholder Management</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Change Management</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>Supplier Relationship Management</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Influencing Skills</td>
<td>35%</td>
<td></td>
</tr>
</tbody>
</table>

### PROFESSIONAL

<table>
<thead>
<tr>
<th>Key</th>
<th>Soft skills</th>
<th>Technical skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Relationship Management</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Negotiation</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Contract Management</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>34%</td>
<td></td>
</tr>
</tbody>
</table>

### MANAGERIAL

<table>
<thead>
<tr>
<th>Key</th>
<th>Soft skills</th>
<th>Technical skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negotiation</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>Supplier Relationship Management</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Sourcing</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Contract Management</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>34%</td>
<td></td>
</tr>
</tbody>
</table>

### OPERATIONAL

<table>
<thead>
<tr>
<th>Key</th>
<th>Soft skills</th>
<th>Technical skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>Negotiation</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Supplier Relationship Management</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Supplier Evaluation and Appraisal</td>
<td>36%</td>
<td></td>
</tr>
</tbody>
</table>

### TACTICAL

<table>
<thead>
<tr>
<th>Key</th>
<th>Soft skills</th>
<th>Technical skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>Supplier Relationship Management</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Negotiation</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Sourcing</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Supplier Evaluation and Appraisal</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
With a career spanning more than two decades across a variety of industries, Colette has witnessed the evolution of the profession first-hand:

“When I started my career, the business and the end user would dictate the supplier to be used and get the buyer to create the purchase order. What we have now formalised as segregation of duties was not a norm. To date procurement processes and policy are at the forefront of most organisations. It is clearly understood what the role of a buyer or procurement officer is.

Demonstrating commercial impact is instrumental to proving the value of procurement to other business functions. This requires a deep knowledge of the inner workings of the business, or, as Colette would describe it: “someone who has been inside and seen it all”. In her case, a background in engineering, logistics and change management has resulted in collaborations with a broader range of stakeholders, increasing the impact of her team.

I tend to sit down with those who don’t understand the value of procurement, to explain to them how exciting this profession is. It is my personal view that it gives one a full bird’s eye view of the business’ operations. It enables one to suggest possible ways of collaborating as a business to capture and sustain value creation.

Despite this progress, it’s clear that there is still some work to be done to strengthen the reputation of the profession in South Africa. One challenge is ensuring that procurement is consistently understood and valued by all businesses, such that procurement professionals can focus on delivering impact rather than proving their worth. In tandem, there is a need for state-level regulation to ensure that fair and ethical procurement practices are applied across all organisations. Finally, it’s important that we establish firm benchmarks to achieve clearer standardisation in terms of salaries, roles and skills. This is crucial, not only to raise confidence in procurement as a profession, but also to attract ambitious young graduates into procurement roles: “With everything I do in procurement, I tend to think that it has less to do with me than with the generations that surpass me as an individual. If it doesn’t start with me, who will do it?”

Building connections with procurement professionals in other companies helps elevate individuals and the profession as a whole. In her work as a member representative in the CIPS Gauteng Volunteer Branch, Colette has encouraged her team and colleagues to join the CIPS community, studying to improve one’s knowledge, to be able to speak with conviction and to fully understand what this line of work is, what value it adds and moreover to promote ethical behaviour.

A huge thank you to Colette Yende, Procurement Operations Executive of Gibela Rail for taking the time to share her story with us and provide key learnings for all of us within the procurement profession.
Salaries

7.2% average procurement professional pay rise

Despite the obvious commercial and economic 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, rather than a reflection of individual performance.

The average salary for procurement professionals is ZAR 601K, with 47% of those eligible for a salary increase receiving one in the last year.

The average salary increase for procurement is 7.2%, which is above the average pay rise for the region. 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, but also a sign of openness to job movements.

Salaries continue to remain higher in the private sector, with procurement professionals being paid on average 4% more than in the public sector.

ZAR 601K
Average salary for all procurement and supply professionals

47%
Have received a pay rise in the last 12 months

AVERAGE SALARIES BY LEVEL

Advanced Professional ZAR 1.4M
Professional ZAR 976K
Managerial ZAR 632K
Operational ZAR 394K
Tactical ZAR 259K

SALARY BY SECTOR

Private Sector ZAR 595K
Differential ZAR 22K ↓ 4%
Public Sector ZAR 573K

CIPS TIPS
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 and retain the talent they need.

Scott Dance, Director
Hays Procurement & Supply Chain

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Salaries continue to remain higher in the private sector, with procurement professionals being paid on average 4% more than in the public sector.
Salaries by Gender

Gender pay gap reporting is something we continue to monitor closely and have seen a small narrowing of the pay gap level, by 3%. However, the 35% gap that remains indicates that there is a lot of work still to be done to ensure 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 to organisations looking to attract and retain more women into procurement, as is the tailoring of flexible working options.

The gender pay gap extends into all sectors again this year, with the gap most pronounced at the Professional level. There is a need for organisations not only to address the gender pay gap, but also to provide greater transparency 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, there is still considerable work needed to redress the balance.

### Salaries by Gender

**Male**
- ADVANCED PROFESSIONAL*: ZAR 1.4M
- PROFESSIONAL: ZAR 1.1M
- MANAGERIAL: ZAR 635K
- OPERATIONAL: ZAR 388K
- TACTICAL: ZAR 281K

**Female**
- ADVANCED PROFESSIONAL*: ZAR 1.3M
- PROFESSIONAL: ZAR 308K
- MANAGERIAL: ZAR 630K
- OPERATIONAL: ZAR 397K
- TACTICAL: ZAR 246K

**Salary Difference/Pay Gap**
- Male: ZAR 706K
- Female: ZAR 523K
- Differential: ZAR 183K

35% average gender pay gap across all levels

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### Average Salaries by Level of Seniority and Gender

**Key**
- Male
- Female

#### Advanced Professional*
- ZAR 1.4M
- ZAR 1.3M

#### Professional
- ZAR 1.1M
- ZAR 822K

#### Managerial
- ZAR 635K
- ZAR 630K

#### Operational
- ZAR 388K
- ZAR 397K

#### Tactical
- ZAR 281K
- ZAR 246K

*low base

Salary Difference/Pay Gap

ZAR 108K, 8%
ZAR 308K, 37%
ZAR 5K, 1%
ZAR -9K, -2%
ZAR 36K, 14%
Professional Recognition

As we might expect, employers are willing to pay a premium for these individuals, who are rewarded with higher average 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 the higher salaries, MCIPS offers a more positive career outlook, with 62% of employers requesting MCIPS (or study 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.

MCIPS SALARY DIFFERENTIAL

<table>
<thead>
<tr>
<th>Category</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCIPS*</td>
<td>ZAR 767K</td>
</tr>
<tr>
<td>Differential</td>
<td>ZAR 193K</td>
</tr>
<tr>
<td>Non-MCIPS</td>
<td>ZAR 575K</td>
</tr>
</tbody>
</table>

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

CIPS TIPS

Guidance: MCIPS - Your Professional Licence
Podcast: How to Own Your Career Development Plan

34% average salary differential across all levels MCIPS v Non-MCIPS

62% request MCIPS (or studying towards) as a preference when recruiting

71% would give further consideration for candidates with FCIPS
Bonuses

Over two in three (69%) of those surveyed were eligible for receiving a bonus; of those who were eligible, 61% received a bonus in the last 12 months. For 30%, the pandemic didn’t impact on their bonus level, whereas 28% received a lower bonus than expected. As we’ve seen in previous years, eligibility for receiving a bonus increases with seniority as does the size of it.

Compared to other sectors, the private sector boasts the largest proportion of procurement professionals eligible for, and in receipt of, a bonus. This reflects the higher salaries in the private sector, particularly as bonuses are typically offered as a percentage of overall salary. For the majority (66%) receiving a bonus is defined by achieving company targets. However, there is a strong preference for bonuses to be based on personal targets, demonstrating a disconnect between preference and what is currently offered.

8.6% average bonus as a percentage of salary

61%

Received a bonus of those eligible in the last 12 months

BONUS ELIGIBILITY BY SECTOR

AVERAGE BONUS AS % OF SALARY BY SECTOR

AVERAGE BONUS AS % OF SALARY FOR PROFESSIONALS

- **PRIVATE SECTOR**
  - BONUS ELIGIBILITY: 74%
  - AVERAGE BONUS AS % OF SALARY: 9.2%
  - AVERAGE BONUS AS % OF SALARY FOR PROFESSIONALS: 11.2%

- **PUBLIC SECTOR**
  - BONUS ELIGIBILITY: 61%
  - AVERAGE BONUS AS % OF SALARY: 7%
  - AVERAGE BONUS AS % OF SALARY FOR PROFESSIONALS: 8.3%

HOW BONUS IS DEFINED VS. PREFERRED

<table>
<thead>
<tr>
<th>Company Achieving Targets</th>
<th>Achieving Personal Targets</th>
<th>Team Achieving Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>66% Defined</td>
<td>41% Defined</td>
<td>18% Defined</td>
</tr>
<tr>
<td>40% Preferred</td>
<td>70% Preferred</td>
<td>34% Preferred</td>
</tr>
<tr>
<td></td>
<td>18% Preferred</td>
<td></td>
</tr>
<tr>
<td></td>
<td>34% Preferred</td>
<td></td>
</tr>
</tbody>
</table>
**Benefits**

Private Medical Insurance is the most common benefit with **47%** receiving it.

In a year where remote working has become the norm due to COVID-19, many have benefitted from more flexible working practices. Home working is likely 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. It’s important that employees continue to be supported when working from home, particularly when new to the role, to ensure they feel included within the team and well-equipped to succeed.

As we saw earlier in the report, communication is one of the top skills across all levels and is particularly crucial for home working.

A different set of challenges comes with increased flexibility, particularly around maintaining a strong organisation 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.

### AVERAGE GAP BETWEEN BENEFITS DESIRED VS. RECEIVED

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Desired</th>
<th>Received</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Medical Insurance</td>
<td>47%</td>
<td>43%</td>
<td>↓ 4% Less than desired</td>
</tr>
<tr>
<td>Support for Study/Career Development</td>
<td>44%</td>
<td>37%</td>
<td>↓ 7% Less than desired</td>
</tr>
<tr>
<td>Car Allowance/Company Car</td>
<td>40%</td>
<td>11%</td>
<td>↓ 29% Less than desired</td>
</tr>
<tr>
<td>Flexible Working Hours</td>
<td>32%</td>
<td>25%</td>
<td>↓ 7% Less than desired</td>
</tr>
<tr>
<td>Income Protection/Permanent Health Insurance</td>
<td>28%</td>
<td>12%</td>
<td>↓ 16% Less than desired</td>
</tr>
<tr>
<td>Life Assurance/Death in Service Benefits</td>
<td>28%</td>
<td>39%</td>
<td>↑ 11% More than desired</td>
</tr>
</tbody>
</table>

### TOP THREE FLEXIBLE WORKING ARRANGEMENTS

<table>
<thead>
<tr>
<th>Flexible Working Arrangement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home or Remote Working</td>
<td>66%</td>
</tr>
<tr>
<td>Flexi-time</td>
<td>55%</td>
</tr>
<tr>
<td>Informal Flexible Working</td>
<td>24%</td>
</tr>
</tbody>
</table>

**CIPS TIPS**

Podcast: *How to Attract and Retain the Best Talent*
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

Benefits Employees Prioritise as a Result of COVID-19

31% believe their work-life balance has improved as a result of COVID-19

CHANGE TO WORK-LIFE BALANCE DUE TO COVID-19, BY SECTOR

PRIVATE SECTOR

- 28% Improved
- 31% Same
- 41% Worsened

PUBLIC SECTOR

- 35% Improved
- 34% Same
- 31% Worsened

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, the work-life balance for many has improved. The working landscape has changed with 54% wanting to continue working remotely over the next 12 months and with a lot of hybrid working evident too. Only 4% 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.
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 ethical and sustainable practices and 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’s rise in the number of employers struggling to find candidates with formal procurement training has been accompanied by significant investment in teams and training, particularly in the public sector. Achieving or studying towards MCIPS has a key role in the profession – it sets candidates apart from other applicants and tackles the need for professionals with strong technical skills.

With 29% 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.
Despite the turbulent circumstances, there is still an openness to moving roles among procurement professionals, with over half expecting to move to a new employer in the next year. With many having had the opportunity to carefully evaluate their current situation, 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, 90% 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, diversity and inclusion policies and training and investment opportunities.

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 and training and development 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.

Consistently, wanting to further develop skills is a key reason 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 to keep the best talent engaged.

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### TOP FIVE REASONS TO STAY WITH CURRENT EMPLOYER

- **Training and Development Needed to Step Up to a New Role**: 30%
- **I Enjoy the Job I Have Now**: 23%
- **Been Recently Promoted**: 17%
- **Lack of Opportunity**: 16%
- **Currently Have Job Security and Don’t Want to Risk That**: 13%

### TOP TEN MOST IMPORTANT FACTORS WHEN CONSIDERING A NEW JOB

- **Company Is Well Known for Ethical Practices/Sustainable Practices/Ethical Sourcing**: 89%
- **Company Reputation**: 87%
- **Procurement Is Highly Valued Within the Company**: 85%
- **Career Progression Opportunities**: 85%
- **Reassurance About Job Security**: 84%
- **Company Is Committed to Equality, Diversity and Inclusion**: 84%
- **Salary**: 82%
- **Company Is Committed to Staff Training and Development**: 81%
- **Management Team**: 79%
- **The Content of the Work**: 79%

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**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

94% agree that a diverse and inclusive workplace culture ensures a more attractive place to work

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.

49% ensure interview panels are diverse

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. Whilst about half of firms we surveyed were conscious to ensure interview panels are diverse and diversity recruitment targets are implemented, 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 provided training for hiring managers to reduce unconscious bias or ensured that imagery and branding in recruitment material reflects a diverse workforce. There is certainly appetite for leadership and guidance on how to embed ED&I best practice within organisations.

<table>
<thead>
<tr>
<th>REASONS TO ENGAGE IN DIVERSE AND INCLUSIVE HIRING PRACTICES BREAKDOWN</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>
</tr>
<tr>
<td>A More Open and Trusting Place to Work Helping to Improve Staff Retention</td>
</tr>
<tr>
<td>Helps Employees to Reach Their Full Potential</td>
</tr>
<tr>
<td>Greater Creativity and Innovation in My Team</td>
</tr>
<tr>
<td>Improved Productivity in My Team</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEASURES TAKEN TO ENSURE DIVERSE AND INCLUSIVE HIRING PRACTICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensured Interview Panels Are Diverse</td>
</tr>
<tr>
<td>Implemented Diversity Recruitment Targets</td>
</tr>
<tr>
<td>Used Unbiased Language to Describe Vacancies, Organisation and Culture</td>
</tr>
<tr>
<td>Set Diversity Targets for the Recruitment Agencies We Engage With</td>
</tr>
<tr>
<td>Provided Training for Hiring Managers to Reduce Unconscious Bias When Hiring</td>
</tr>
<tr>
<td>Ensured That Imagery and Branding in Recruitment Material Reflects a Diverse Workforce</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>
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.

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
The value of procurement and supply management to all kinds of businesses and organisations has never been clearer than during the pandemic, as supply lines have been cut and diverted and new operations created by some. Strong organisations have survived through the worst of the impacts with skilled procurement and supply managers supported by functional leaders and CEOs. The challenges businesses have faced have given rise to seeking out the right talent for their organisation while developing, retaining, and growing individuals who have a collaborative mindset and strong business acumen to engage suppliers and retain surety of supply. The need for technical procurement skills remains essential but the development and leverage of soft skills are equally important to unlocking collaborative opportunities and creating sustained organisational value. There were many good examples last year where competitors shared logistics opportunities and payment terms were brought forward so that supply remained strong and constant – all led by creative supply chain managers with the right combination of skills and knowledge and appreciation of challenges.

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 globally 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. More employers are not settling for broader skill sets in procurement & supply professionals yet opting for a depth of knowledge across the profession. This warrants continuous learning with a 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 continuous learning, 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 are founded on.

A strong commitment to equality, diversity, and inclusion is something I am very passionate about and is incredibly important for societies. Procurement and supply chain is a powerful agent of change to drive this agenda. 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.

Equally, we need to build and sustain diverse supply chains. The pandemic confirmed that this is not only possible yet beneficial as procurement and supply energised local economies and sped up economic recovery in some areas through the use of local SMEs.

We have so much to be proud of in our profession. I hope this spirit of striving to tackle challenges head-on, and building resilience and value in business continues, where continued professional development remains at the forefront of employers’ and individuals’ 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 or the new normal.

Sarie Homan
Head of CIPS South Africa Professional Body

Conclusion

Procurement and supply management professionals have been propelled into a realm of change that has tested yet also enabled significant opportunities. This bodes well for the profession which has demonstrated its resilience, adaptability, and higher organisational purpose.