What a time it’s been since the last survey and what a different world we are now operating in. The direction of travel is full of unexpected twists and turns and a new world order awaits us with protectionism, potential tariffs and new challenges.

Businesses and organisations will need a steady hand to negotiate their way through all this, so it is a perfect time to have the support of trained, qualified professionals. These professionals will need strategic skills, data management and a steadying disposition to help businesses find their way through the particular challenges faced by their organisations.

Once again, the CIPS/Hays Salary Survey has found that these talented individuals are increasingly in demand by CPOs. Though CEOs and Boards must still learn the lesson of the value that procurement can bring, these new tests are a spotlight on procurement’s worth during this remarkable time in our history.

Many CPOs I speak to are struggling to secure good talent, but it is often soft skills that are missing from their talent portfolio, and not procurement and supply chain knowledge. Though sector knowledge is always useful, both sector and procurement knowledge can be learnt, so I would urge any employers to go for individuals with a fresh perspective and the ability to think outside of the box.

So that’s the benefit of talented individuals for business and procurement teams, but those smart professionals are getting rewarded too. Our survey found that 54% of procurement professionals received a salary increase in the last year.

And, it’s no surprise again that MCIPS professionals received 21% more in salary than non-MCIPS, so the value of CIPS membership is there for all to see. But, we must not rest on our laurels. Continuing professional development should be high on everyone’s agenda, to always improve and find the next level of achievement, so I hope that this year our professionals will read more and do more to up their game and increase their usefulness so boards and CEOs also sit up and take more note of how fundamental good procurement is for their business.

There has been an increase from 51% to 60% this year in the number of employers who faced challenges in finding the right talent in the last 12 months. This could be the consequences of searching for exceptional talent rather than volume, for experience as opposed to expedience. Taking time to look for the right team will always pay off in the long run and those interesting, varied and rewarding roles are still out there.

Lastly and disappointingly, the survey found that the gender pay gap in our profession is not closing. Though there are so many instances of this in other sectors, I’m disappointed that procurement is not leading the way and bucking the trend. Raising the profile of women professionals and supporting gender diversity has been a focus for CIPS in the last year with our Women in Procurement event and the recognition of high achievers. I hope these small steps will contribute to a reversal of this setback in next year’s results as we do more to support gender diversity in procurement.

I would urge you to look through the report in detail to understand what it means for you. There is no other report of this scale that gives insight into the profession across geographical regions, gender, sectors and company size. This is not just about pay and bonuses but the impact of CIPS membership, how procurement can fight against issues of our day such as modern slavery and the opportunities for great work and how to make an impact.

So to paraphrase the wise words of a former President of the United States, ask not what the profession can do for you, but what you can do for the organisations you work for and the wider world.

Gerry Walsh
Group CEO
Chartered Institute of Procurement & Supply
This year’s report clearly indicates that there continues to be a strong demand for procurement professionals with demand consistently out-pacing supply. Furthermore, there is clear evidence that this pattern is mirrored in the UK, Australia and Sub-Saharan Africa. The value of CIPS qualifications is clearly indicated in the report with professionals having been awarded MCIPS* enjoying salary increases on average 21% greater than employees in similar roles without CIPS qualifications.

The context of a labour market in which demand is outstripping supply places a premium on attracting and retaining the very best procurement professionals. Nowhere is this more clearly indicated than in the increase in salaries, being paid to graduate trainees, a signal that the profession is seeking to attract the very best talent that is available. A further interesting trend, buried in the detail of the report, are the premiums paid to procurement professionals who are designated ‘analysts’. Many of these professionals work in the ‘engine room’ of the profession and their enhanced salaries reflect the requirement of the procurement profession to deal with the realities of: big data, predictive analytics, eProcurement, AI and machine learning.

In previous reports, we highlighted the increase in learning and development spend as organisations tried to address the lack of talent by growing their own. This would appear to have been successful as only 60% of organisations report that finding the right talent was a major challenge for them.

In general, the outlook for procurement professionals remains excellent. Demand for their services outstrips supply and this is reflected in healthy wage appreciation. The profession is battling to attract the best talent available and seeking to equip that talent with the skills that are required of a profession servicing businesses operating in a quickly evolving environment. Those professionals who develop their capabilities will enjoy successful and remunerative careers and there is clear evidence that CIPS can help them on that journey.

Dr. John Glen
CIPS Economist
Visiting Fellow of Cranfield University

Our report shows a continual upward trend in the value placed on procurement within organisations. Building a strong procurement team continues to be a priority for leaders in the industry, driven by a number of pressures within the market. As organisations continue to adapt to a changing landscape, so too must procurement professionals to ensure their soft skills in particular are up to date to meet the challenges to come.

Finding the right people is of paramount importance to be able to build the best team. I therefore encourage both procurement leaders and professionals to review the CIPS Global Standard for Procurement and Supply 2018, a comprehensive competency framework which sets the benchmark for what good looks like in the industry. One aspect the Standard covers is People Development, a section I have contributed to and a factor that is important to me. Individuals can use this to identify the soft skills that will enable them to progress in their career and seek the training they need to be able to develop.

Our report also highlights the ongoing issues that employers face when recruiting. Professionals with the right soft skills are of great importance, however can be difficult to find. This can be especially challenging when seeking talented senior procurement professionals, who are all the more important to bring about the change which is high on the agenda for many organisations.

I am therefore pleased to be involved in the Fellows of the Future programme**, where Hays is partnering with CIPS, and which aims to build a pipeline of talented professionals who have the potential to become future procurement leaders. We provide workshops, events and access to information to help professionals build the right soft skills and networks to be able to progress to FCIPS, as well as educate them about the importance of soft skills in the changing world of procurement.

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

hays.co.uk/procurement

Scott Dance
Director
Hays Procurement & Supply Chain

*MCIPS awarded on completion of CIPS Professional Diploma and three years’ experience

**Currently only available in the UK
About this report

The CIPS/Hays Procurement Salary Guide and Insights 2018 allows procurement professionals and employers to:

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

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, as well as a case study that illustrates best practice.

The findings in this report are based on research conducted in September 2017 via an online survey among professionals currently working in procurement. This year over 4000 professionals globally completed the survey. The results were analysed by the Professional Associations Research Network (PARN).

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

Throughout this document 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.

CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

<table>
<thead>
<tr>
<th>COMPETENCY LEVEL</th>
<th>TYPICAL JOB ROLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Professional</td>
<td>Head of Procurement, Procurement Director, Commercial Director, Chief Procurement Officer, Supply Chain Director, Head of Sourcing.</td>
</tr>
<tr>
<td>Professional</td>
<td>Procurement Manager, Purchasing Manager, Senior Category Manager, Supply Chain Manager, Strategic Procurement Manager, Operations Manager, Commercial Manager, Head of Logistics.</td>
</tr>
<tr>
<td>Managerial</td>
<td>Senior Buyer, Category Manager, Contracts Manager, Contracts Officer, Logistics Manager, Supply Chain Executive.</td>
</tr>
<tr>
<td>Operational</td>
<td>Buyer, Procurement Specialist, Supply Chain Analyst, Procurement Executive, Procurement Officer, Supply Chain Planner, Logistics Analyst.</td>
</tr>
<tr>
<td>Tactical</td>
<td>Purchasing Assistant, Assistant Buyer, Administrative Assistant, Stock Controller, Contracts Administrator, Inventory Planner, Assistant Contracts Officer.</td>
</tr>
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</table>
Procurement continues to be a valued profession in the region, as evidenced by the comparatively high salaries available to experienced professionals and those with recognised qualifications. This is particularly true of MCIPS professionals who enjoy salaries on average 21% higher than their non-MCIPS counterparts.

Procurement in the MENA region is now emerging as a core function with 86% agreeing procurement is valued in their organisation, and attracts some of the highest salaries globally. We have some work to do to encourage more women into the profession and also to ensure that the region is nurturing the talent to drive our profession forward.

As governments in the region move towards diversifying their economies and implementing localisation initiatives, we expect the demand for specialist procurement expertise to continue to grow. In light of the fact that 60% of respondents identified they had struggled to recruit the right talent in the last 12 months, retaining existing talent will be a key focus for employers in what continues to be a competitive market, particularly at senior level. We would expect this to have an impact on salaries, benefits and training and development strategies, and will continue to monitor this in future reports.

Sam Achampong FCIPS
General Manager, MENA
Chartered Institute of Procurement & Supply
Salaries and bonuses

Average salaries in the MENA region continue to be highest in the Private Sector. Taken as an average across all sectors, however, there has been a decrease in salary from $71,722 to $57,789 since 2017’s results, signifying the effects of a fluctuating economy. However, the number of professionals receiving a salary increase and bonus has slightly risen.

As in the other regions we have reported on, we see the most pronounced differences in salaries between Advanced Professional and Professional levels. In terms of the gender pay gap, this continues to be hard to establish as very few women completed our survey. However, overall, men appeared to earn considerably more than women at 56%. Meanwhile, our report continues to highlight a higher earning power for MCIPS members, who on average are paid 21% more than their non-MCIPS counterparts.

Average salaries by job level

- **Advanced Professional**
  - Average salary: $112,208
- **Professional**
  - Average salary: $72,456
- **Managerial**
  - Average salary: $52,439
- **Operational**
  - Average salary: $30,271
- **Tactical**
  - Average salary: $12,880

**Average salaries by sector**

- **Private Sector**
  - Average salary: $61,809
- **Public Sector**
  - Average salary: $53,272
- **Charity/Not For Profit**
  - Average salary: $28,280

**Average salaries by gender**

- **Advanced Professional**
  - Male: $62,600
  - Female: $40,000

21% increased earning power of MCIPS members

**MCIPS average salary**: $61,809

**Non-MCIPS average salary**: $51,272

54% received a salary increase in the last 12 months

42% received a bonus in the last 12 months
Private medical insurance continues to be the most commonly received benefit, increasing from 63% of professionals receiving it in 2017 to 71% in 2018. All of the other top benefits, apart from car parking, are the same as in 2017 although their prevalence has generally decreased, most notably for life assurance/death in service benefits (38% in 2017 compared to 28% in 2018). Unlike in the UK and Australasia, and similar to Sub-Saharan Africa and South Africa, flexible working does not feature among the top five benefits in MENA.

Finding talent

With a 9% increase since 2017, more employers have struggled to find the right procurement talent in the last 12 months. Challenges faced when recruiting talent include:

- Candidate salary expectations cited by 57% of employers compared to 32% in 2017. This may be as a consequence of increased professional training, resulting in more advanced qualifications and corresponding expectations of higher salaries
- Internal processes/HR cited by 40% compared to 22% in 2017
- Organisational fit cited by 27% compared to 17% in 2017. This may be to do with a mismatch between employees wanting to be paid more and employers wanting more from their staff

Challenges in recruiting the right talent

<table>
<thead>
<tr>
<th>Challenge</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate salary expectations</td>
<td>57</td>
</tr>
<tr>
<td>Budget restraints</td>
<td>54</td>
</tr>
<tr>
<td>Lack of sector skills and experience</td>
<td>51</td>
</tr>
<tr>
<td>Internal processes/HR</td>
<td>40</td>
</tr>
<tr>
<td>Lack of technical skills/evidence of formal procurement training</td>
<td>35</td>
</tr>
<tr>
<td>Organisational fit</td>
<td>27</td>
</tr>
<tr>
<td>Lack of soft skills</td>
<td>26</td>
</tr>
<tr>
<td>Competition from other employers</td>
<td>12</td>
</tr>
<tr>
<td>Location</td>
<td>12</td>
</tr>
</tbody>
</table>
When compared with 2017 figures, the importance of skills has generally increased. At every level of seniority, we see communication/soft skills and negotiation among the top five most important skills for people to do their jobs well. In line with the CIPS Global Standard, other notable trends at these levels include the following:

- Supplier relationship/management is among the top five at all levels apart from Advanced Professional
- Unique to Advanced Professional level is leadership
- Unique to Professional level is raising the profile of procurement

Of all the regions we report on, MENA is the only one where specification development and in depth specific category experience are identified among the top most important skills and are often one of the key recruitment challenges in finding talent with the relevant sector skills, even at Tactical level. Also, professionals in MENA, Sub-Saharan Africa and South Africa generally place higher importance on technical skills than professionals in the UK and Australasia.
Soft skills for procurement

David Loseby FCIPS

This year’s report continues to reinforce the need for soft skills (Behavioural Procurement) in section 4 stating: Across all sectors, communication/soft skills remain the most important factors for procurement professionals to perform their job well: 82% of respondents in the Private Sector, 79% in the Public Sector and 85% in the Charity/Not For Profit Sector cited them as very important.

So, not surprisingly a recent piece of research*, consisting of survey(s) and interviews involving CIPS professionals reinforce this too. However, when people talk about developing their soft skills, what do they mean, and what are some of the real-life applications for practitioners? Defining what we mean by soft skills may be a good starting point, especially as the links to CIPS revised Global Standard will be evident, at every level, where there is an interaction between individuals, groups of people and at the leadership level. The diagram below shows the main soft (people) skills our report discusses.

The results of the survey(s) showed some interesting outcomes, some of which had not been fully predicted, five key themes were identified:
1. Skills and competencies for highly successful and effective teams
2. Critical skills for jobs for the future
3. Innovation for competitive advantage
4. Relationship Management
5. Collaboration as a game changer

Some headline outcomes from the survey itself include:
• 67% of those surveyed have received no formal training in any of the related soft skills
• 88% of those surveyed said that organisational decisions are not based on facts and data
• Only 23% of those surveyed totally agree that academia and institutions are delivering education and training for future skills and competencies in business and Procurement and Supply Chain Management (P&SCM)

The headline statistics should signal a call to action that current investment in soft (people) skills is not sufficient and needs to be addressed. It is therefore encouraging that we see an increase in spend allocated to this area of training and development.

From responses to the survey in February 2018, Collaboration along with Emotional Intelligence, Innovation and Problem-solving were the strong and dominant skills identified. The term collaboration has featured highly in all the key survey responses, and rightly so. These can be characterised by various collaborative states from those invoked by circumstance (tactical and enforced) to those of choice and design (project and strategic).

Strategic Collaborations will create the greatest amount of value and will rely heavily on the behavioural skills and competencies of the professionals involved in them. Accordingly, this is the greatest competence differnlator that will attract the greatest rewards from employers in the future.

David Loseby FCIPS
Founder: Aquitaine Strategy
Adviser & Researcher at Wezard – Collaboration Catalysts

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*Source: Behavioural Procurement Insights 2017 on-going research by David Loseby FCIPS

www.CIPS.org/salarysurvey
How procurement is viewed

As we saw in 2017, MENA, like Sub-Saharan Africa, stands out as a region with a very high regard for the procurement profession, as illustrated by the following:

- 86% agree that procurement is valued within their organisation
- 70% agree that staff in other departments understand what procurement specialists can offer
- 74% agree that procurement is engaged from the start of the project
- 77% agree that the perception of procurement improved in the last 12 months
- 77% agree that Directors and Heads of departments understand what procurement specialists can offer

In 2018, we also saw a 6% increase in the number of professionals feeling that procurement is valued within their organisations, which may be a result of professional-level specialists promoting procurement and the fact that more people have been receiving professional training. However, despite this generally positive picture, there has been a substantial decline in the number of professionals who feel that perception of procurement has improved in the last 12 months: 87% in 2017 compared to 77% in 2018.
Conclusion...

Diversity is key to outcomes and successes

It is not a surprise that the procurement and supply chain market for talent continues to be buoyant. More and more of those at the top are recognising the value and skills of our profession and the direct contribution we can and do make to organisational purpose, strategic aims and objectives – well beyond costs and efficiencies.

But, despite our growing profile and reputation as enablers and innovators, it is sobering that we, as a profession, do not yet appear to be bucking the continued media headlines on the ever-present gender pay gap.

As individuals, we need to own our learning and development. We should be proactively equipping ourselves with the skills and qualifications we need to meet the emerging challenges of businesses with a key focus on commercial, leadership and what some refer to as ‘softer’ skills. We need to be self-aware and make time for continuous professional development, ensuring we invest in keeping our skills current and relevant - volunteering for projects or roles that will widen our knowledge, skills and networks.

As senior professionals and employers, we should not only be using our honed influencing and negotiating skills to address the matter directly within our hiring, reward and recognition policies. But, we should be looking at what we can do individually and collectively to actively encourage, enable, mentor or support diversity in all its forms within our procurement communities from entry level through to senior and executive leadership positions. We must also take the opportunity as procurement professionals to address ethical and fair work practices – including equal pay and the living wage – within our supply chains. Let’s share our innovative procurement approaches and case studies in this space.

Attracting and Retaining Talent

In an ever-tightening budgetary environment, it is very clear that we do not often have the luxury to offer bonuses or reward packages and the report suggests that, “employers, in the fight for skills, are investing more in their own teams via benefits and training” and that there is a, “compelling reason for organisations to invest in talent retention strategies, building their teams from within and succession planning.”

We should celebrate our unique skills and competencies and recognise that gaining more experience in our current roles, or a sideways move, will undoubtedly help us to develop the breadth and depth of experience required to operate competently at higher levels. By thinking about and planning our career trees and taking time to move and gain experience across different branches of learning, we will be better enabled to reach and operate effectively at higher levels than we could achieve by climbing straight up a career ladder too quickly. Honing and applying our emotional intelligence will strengthen our grip.

In addition to embedding policies to ensure that anyone committing or spending company or tax payers’ money with third parties has the relevant skills, qualifications and experience commensurate to their authorised procurement authority - their license to procure - we must ensure our professionals stay current. We need to create and enable a learning culture and continue to invest in targeted development programmes to help attract and retain talent – with a particular focus on emotional intelligence and cross-functional collaboration.

And as a profession, we need to maintain our vibrant procurement communities, sharing and benchmarking our approaches and practices to ensure that we take full advantage of the impact that procurement can and does make within our respective economies.

Nikki Bell FCIPS
Chair of CIPS Congress
Member of the CIPS Global Board of Trustees
Deputy Director (Acting) and Head of Profession, Scottish Procurement and Commercial Directorate, The Scottish Government

The year ahead brings a number of challenges and uncertainty. However, with the right skills, the procurement profession will no doubt continue to rise to the challenge and establish itself as a vital component to the success of organisations. Improved diversity will play a role in this success, and procurement leaders must step up to both recognise and facilitate change to bring about a more diverse and equal workforce. Combine this with a focus on soft skills development, and the outlook for the pipeline of talent and future procurement leaders will be a positive one.

Scott Dance
Director
Hays Procurement & Supply Chain
About CIPS, the Chartered Institute of Procurement & Supply

The professional body
CIPS, a not-for-profit organisation that exists for the public good, is the voice of the profession, promoting and developing high standards of skill, ability and integrity among procurement and supply chain professionals.

Quality guaranteed
Our qualifications are recognised by OFQUAL in England and regulators in various countries, demonstrating that they meet specific quality standards.

The Global Standard
CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

A commercial organisation
CIPS helps governments, development agencies, and businesses around the world to excel in procurement and supply, supporting them to improve and deliver results and raise standards.

A global community
We are the world’s largest professional body dedicated to procurement and supply with a global community of over 200,000 professionals in over 150 countries, and offices in Africa, Asia, Australia, the Middle East, Europe and USA.

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