5 year trends from the Procurement Salary Guide and Insights 2015 to 2019
A more valued profession than ever

The value of the annual CIPS/Hays Salary Guide & Insights Report, which provides the content for this publication, is a snapshot of where the profession is in terms of salaries, experience and necessary skills in procurement and supply every year. This five-year guide highlights the trends from 2015-2019 which supports forward-planning and recruitment strategies for long-term career and business goals.

The world in which we live and work has experienced a number of seismic shifts and challenges in recent years and yet our professionals still remain in high demand. Managing the impacts of potential trade wars, innovation and digitalisation of supply chains, planning for Brexit and being true to the ethical agenda is keeping CEOs awake at night. But, to our professionals, this is at the heart of what we do every day.

These new business drivers highlight the importance of having the right people in place and the developing trends in this report over five years are very clear. The key capabilities that leaders in procurement need to develop in their teams and their own careers, the shortage of talented individuals, and the perceived value of professionalism remains strong. Moreover, the skills our professionals have acquired are more relevant in broader business environments which means many of our Chief Procurement Officers could move into CEO roles, if they choose.

However, if procurement provides the skills to support business goals, then organisations must provide the right environment for talent to thrive. For example, the report highlights a continuing gender pay gap but we must question whether this disparity is as black and white as it seems; and why it appears across many professions, not just ours.

As leaders we must ensure we create a culture that encourages diversity of all kinds in procurement, to strengthen our recruitment processes, without unconscious bias, to nurture people to be bold enough to shoot for those senior roles that may initially appear out of reach.

The statistics in the report are important but challenge them, question them and add to the research based on your own strategies. For instance, the size and focus of organisations that responded to the survey have an impact on salaries and benefits. A CPO in one business could be earning £60k whilst in another £200k, whilst the average is around £123k, so looking beyond the statistics and reflecting on your own business is a good exercise to gain the most out of the guide.

As Winston Churchill famously said, “Plans are of little importance, but planning is essential,” so I would urge you to read this short guide to support career planning for yourself, developing teams or advising your stakeholders.

Whatever your focus, have heart that what you do does make a difference and be safe in the knowledge that the procurement profession continues to be in the ascendancy.

Malcolm Harrison FCIPS
Group CEO
Chartered Institute of Procurement & Supply

About this report

The findings in the report are based on research conducted from our annual salary survey over the last five years from 2015. Over 20,000 procurement professionals globally took part over the five years.

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 based on those illustrated in the CIPS Global Standards.

Over the five years of reporting the number of respondents by level, seniority, gender, location and sector have varied each year which can impact on the year on year results.
Average salaries

Average salaries increased consistently at all levels by over 9%, with a larger increase in the Public Sector of 13.1% compared to 4.2% in the Private Sector. This is due to the war for talent and retention, the need for more commercially aware teams in the Public Sector, and proof of the growing confidence in and value of the profession.

Average salaries by job level

Across all sectors average salaries rose consistently higher at the Advanced Professional level. However, it was the Tactical level that saw the largest percentage increase in salaries since 2015, which rose from £22.3k in 2015 to £24.3k in 2019.

Average salaries by sector

Overall, average salaries were highest in the Private Sector and lowest in the Public Sector. 2016 was a year of unusually high average salaries in the Charity/Not For Profit Sector, even topping those seen in the Private Sector. In 2017, salaries in this sector returned to the 2015 level and were the lowest of the three sectors. Salaries in the Private Sector fluctuated in the five year period, but those in the Public Sector grew steadily.

Interestingly, the average salaries across all sectors run in parallel with the Charity/Not for Profit sector. Over the five years we see the gap between the average salaries across all sectors closing from £7.5k to £4.2k and will watch with interest to see if this trend continues.
MCIPS increasingly respected, demanded and rewarded

MCIPS professionals consistently earn more than their non-MCIPS colleagues, demonstrating employer recognition of their professionalism and skills. Over the last two years this has increased by 3%.

Recruitment

Since we began reporting we have seen a consistently high number of employers in the Public and Charity/Not For Profit Sectors requesting MCIPS (or those working towards) averaging 73% in both sectors. The biggest change in attitude is seen in the Private Sector where over the last three years the number putting a premium on candidates with MCIPS has risen from 49% to 61%, an increase of 12%. This continued rise evidences the increased value that the profession places on those with CIPS qualifications and MCIPS, proving the growing appetite for the CIPS Global Standard to be adhered to. This has been given further prominence by the UK Government Commercial Function expecting all their employees with MCIPS and FCIPS to also upgrade to the recently introduced Chartered status* which evidences a professional’s currency through CPD and the CIPS Ethics e-learning.

*cips.org/chartered
Procurement as a Career

Since we began reporting in 2015 the average salary increase for those in procurement & supply (P&S) at all levels has been consistently higher than the national average increase (ONS), peaking this year at almost double.

This provides evidence of the growing confidence in the value that procurement delivers to organisations which together with the added earning power of MCIPS highlights the importance of having qualified teams.

Average % rise in salaries

<table>
<thead>
<tr>
<th>Year</th>
<th>P&amp;S</th>
<th>ONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2016</td>
<td>5.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2017</td>
<td>5.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>2018</td>
<td>4.5%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2019</td>
<td>5.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

MCIPS

MCIPS is an internationally recognised, highly respected award representing the global standard within the profession for a procurement and supply professional. Standing for Member of the Chartered Institute of Procurement & Supply, only full CIPS members are entitled to use these letters after their name. They provide employers with the reassurance that an individual has achieved a very high level of professional capability as benchmarked against the official CIPS Global Standard.

MCIPS can be achieved through:
- Studying for CIPS professional qualifications
- An accredited degree
- The CIPS Management Entry Route (MER) for senior professionals
- The CIPS Corporate Award applied learning programme for individuals or groups of professionals

“When applying for new roles, I was always getting short-listed, but the candidate with MCIPS got the role. So to stay marketable I gained my MCIPS through MER.”

Hamish Leech MCIPS
Moreton Bay Regional Council

For more information on routes to MCIPS
cips.org/upgrademcip

Chartered status

CIPS has recently introduced Chartered status to signify a procurement professional’s commitment to career-long learning and development, and ethical, professional conduct. MCIPS and FCIPS members with 30 hours of CPD in the previous 12 months and a current Ethics certificate are eligible to apply.

We will be interested to see whether Chartered status builds similar recognition as MCIPS and FCIPS among employers and whether this will be reflected in future surveys.

“With organisations operating in such a disrupted marketplace, from political changes to technological developments, it is more important than ever for professionals to continue to upskill in order to continue driving change and helping organisations to grow. Lifelong learning is a widespread trend, and through MCIPS and FCIPS, Chartered status procurement professionals can continue to grow and develop their career throughout their professional life.”

Scott Dance
Director, Hays Procurement & Supply Chain
cips.org/chartered
Gender pay gaps remain a challenge. Despite the increase in salaries over the five-year period, we still see a marked difference between male and female pay.

Given the raised profile of this issue in the media and new mandatory open reporting on gender pay, this is disappointing.

In 2019, the pay gap reduced slightly at mid-levels, but remains significantly wide at the lower and higher levels of seniority overall, the average disparity remains consistent at £10.5k.

Throughout the five year period, larger gender pay gaps were at more senior levels. The gender pay gap was greatest at the Advanced Professional level over all five years, and has been steadily increasing (15% in 2015, 35% in 2019). The gender pay gap at the Professional, Managerial and Operational levels has narrowed in some years, including in 2019.

### Salary differentials

<table>
<thead>
<tr>
<th>Year</th>
<th>Advanced Professional</th>
<th>Professional</th>
<th>Managerial</th>
<th>Operational</th>
<th>Tactical</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15%</td>
<td>13%</td>
<td>10%</td>
<td>8%</td>
<td>0%</td>
</tr>
<tr>
<td>2016</td>
<td>19%</td>
<td>14%</td>
<td>5%</td>
<td>9%</td>
<td>-1%</td>
</tr>
<tr>
<td>2017</td>
<td>25%</td>
<td>2%</td>
<td>7%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>2018</td>
<td>33%</td>
<td>14%</td>
<td>11%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>2019</td>
<td>35%</td>
<td>9%</td>
<td>5%</td>
<td>3%</td>
<td>8%</td>
</tr>
</tbody>
</table>
Organisations cite competition from other employers as a key challenge when recruiting

Competition between employers for the right procurement talent has increased significantly, as the profession continues to enjoy growing regard and value, and organisations seek to expand their teams.

The fight for talent continues

Budget restraints, candidate salary expectations and lack of sector skills and experience were the top three cited challenges in recruiting procurement professionals throughout the five year period. Lack of sector skills and experience was the top challenge in all years apart from 2016, when budget restraints were most commonly cited as a challenge.

In 2019, candidate salary expectations was a more common challenge than budget restraints, while in all other years the order was the opposite.

Soft skills requiring emotional intelligence are valued throughout the five-year period, as the skills shortage means employers increasingly need to ‘recruit soft’ and ‘train technical’.

Challenges in finding talent

Finding the right talent has been a challenge for the majority of employers over the last five years. Looking particularly between 2017 and 2019, the number of procurement professionals who reported having struggled to find the right talent for their organisation increased slightly, but remained at 56% in 2018 and 2019.

Challenges in recruiting procurement professionals

<table>
<thead>
<tr>
<th>Top challenge</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget restraints</td>
<td>31%</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Candidate salary expectations</td>
<td>30%</td>
<td>41%</td>
<td>40%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>Competition from other employers</td>
<td>13%</td>
<td>16%</td>
<td>16%</td>
<td>21%</td>
<td>30%</td>
</tr>
<tr>
<td>Lack of sector skills and experience</td>
<td>43%</td>
<td>35%</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Lack of soft skills</td>
<td>21%</td>
<td>17%</td>
<td>22%</td>
<td>18%</td>
<td>26%</td>
</tr>
<tr>
<td>Lack of technical skills/ evidence of formal training</td>
<td>25%</td>
<td>18%</td>
<td>29%</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>
**Conclusion**

It’s quite obvious that a number of key trends have emerged from the last five years of the CIPS/Hays Procurement Salary Guide and Insights which shows how valuable this annual research is.

Firstly, and very clearly, employers are ‘asking for and paying for’ the MCIPS accreditation when looking to employ procurement professionals and they are willing to pay salary premiums for those candidates who are accredited and up-to-date. It’s interesting that on average salaries are £7k higher for those employees with MCIPS accreditation. Let me repeat that, a £7k premium for qualified and experienced supply chain and procurement professionals. That’s huge. In addition two-thirds of employers are asking for MCIPS accreditation when advertising their vacant posts.

Secondly, the uncertainty that has existed in the UK economy from 2015 until now, associated with recovery from the global financial crisis and the trials and tribulations of Brexit has increased the demand for highly skilled, professional procurement employees and not reduced the demand as it has in other jobs and professions. Businesses will always need strong strategic thinking and good skills whatever the economic outlook and this systemic uncertainty has increased the demand for procurement professionals with MCIPS and FCIPS accreditation.

With the good comes the bad. The most disappointing trend in the reports’ five years of data is the lack of progression in terms of ‘gender pay’ equality. While on average the gender pay differential has fallen from 23% to 21%, this can hardly be lauded as good progress. There is evidence that at the lower end of the profession, gender pay differences have almost disappeared which is good news. However, at the top of the profession there is a widening of the gender pay gap at Advanced Professional level from 15% to 35% which is exceptionally worrying. We must continue to investigate why this is happening and implement the necessary changes to reverse this particular trend.

Finally, increased demand for procurement professionals is creating pressure for many organisations in terms of attracting the right quality of employees. The most pressing issue in recruitment is lack of ‘sector skills and experience’. If anything shouts, ‘grow your own’, then this trend is exactly that. Organisations must look to attract, retain and develop the very best talent. It is clear that CIPS has a central role to play in helping organisations meet this challenge.

As we look forward to the next five years let’s set ourselves a challenge as procurement professionals to address the gender pay gap and other inequalities and to also develop the quality of those people that we bring into the profession in the first place.

**Dr. John Glen**  
CIPS Economist  
Visiting Fellow of Cranfield University

**Conclusion**

“With competition for top talent intensifying over the years in a skill-short market, employers must evaluate all the ways they can attract and retain procurement professionals going forward. Our reporting over the last five years has shown that it’s not all about offering the highest salary – for example, professionals also place high importance on the flexible working options available. Therefore, employers should promote to both existing and prospective professionals any flexible working opportunities that they are able to offer.

Career development is also a significant factor that procurement professionals consider. Employers need to be proactive in meeting with their team members and putting career plans in place to help ensure that professionals stay engaged with their organisation. Revisit these career plans often and amend where necessary to get the most out of your team.”

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