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

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

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

We must encourage our members to continue their professional development, as it’s no surprise that MCIPS professionals earn 21% more than non-qualified counterparts and MCIPS professionals are the first choice for recruiters in many sectors in the region. Business leaders are turning towards procurement for the answers to key issues such as protectionism and trade wars, ensuring supply chains are free from any disruptions, free from modern slavery which is robbing people of their lives and liberty for business gain, or cyber security which can bring whole businesses down in a day. All these serious attacks on business can be detected by procurement, be tackled by procurement and solutions found by procurement. That’s why the results of the survey shows the search for MCIPS talent remains high.

As a profession, with this positive and skilled mindset, talented professionals will always be in demand because highly-skilled people are still hard to find. The responsibilities supply chain managers have are many. Risk mitigation, whether it is security of supply, or the prevention of damage to reputation caused by unethical actions is a prime focus for supply chain professionals. Millions are stolen from businesses around the world. Procurement can make businesses more innovative and also more financially viable by detecting and preventing fraud in the supply chain. Individuals in the profession also gain, not just because they are part of a fascinating and growing profession but also a large 68% of professionals in the Australasia region received a salary increase in the last 12 months.

The survey results are always thought-provoking and challenging as the differences between the sectors in Australasia still remain. The Private Sector offered the highest salaries and the Charity Sector offered the lowest.

In addition, the increased gender pay gap continues to be disappointing. While in many regions of the world, the gap is narrowing, in Australasia it has widened by 7% to 31% this year. Let’s hope that improvements will be made and the equality goal is a little nearer to attainment.

Procurement is an enabler, a business partner. We understand business and are measured on business success and our professional behaviour is dictated by what we’re measured on, so we must be strategically aligned to our business goals. Procurement helps mitigate against risk, supports businesses to get the maximum value from their suppliers. And while 67% of respondents are still looking for talent to help shape their business goals, procurement professionals must continue to change, develop and improve their skills and abilities and continue to be the most effective, most sought-after professionals.

Malcolm Harrison FCIPS
Group CEO
Chartered Institute of Procurement & Supply

cips.org/salaryguide
Procurement professionals in Australasia enjoyed another very positive year in terms of pay and the perception of the profession. The importance of professional development was clearly indicated by the salary premium received by MCIPS procurement professionals relative to their non-MCIPS counterparts. In this year’s report the salary premium is running at 21%.

The tightness of the labour market for procurement professionals is reflected in the fact that an increased number of organisations reported problems in trying to recruit talent. With the major issues being a lack of technical and or sector specific skills. Both of these factors would indicate that organisations need to think about ‘growing their own’ talent. The alternative is to enter a ‘bidding war’ for talent. Many organisations would appear to be taking the ‘bidding war’ option, as 46% of procurement recruiters reported that candidate’s salary expectations were a problem when seeking to recruit new staff.

Furthermore, when developing your own talent, you can ensure that your staff are equipped with the skills that an evolving procurement profession requires them to acquire. The results of this year’s survey would suggest soft skills, relationship management capability and communication skills are highly valued within the profession.

Finally, the observed widening of the gender pay gap is not encouraging. I would like to challenge professionals in the region to reverse this trend and to ensure that female colleagues are recruited into all levels of the profession and remunerated according to the value that they add to the businesses in which they are employed.

Dr. John Glen
CIPS Economist
Visiting Fellow of Cranfield University
About this report

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

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

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 an insight that illustrates best practice.

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

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

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

<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,</td>
</tr>
<tr>
<td></td>
<td>Chief Procurement Officer, Supply Chain Director, Head of Sourcing.</td>
</tr>
<tr>
<td>Professional</td>
<td>Procurement Manager, Purchasing Manager, Senior Category Manager,</td>
</tr>
<tr>
<td></td>
<td>Supply Chain Manager, Strategic Procurement Manager, Operations Manager,</td>
</tr>
<tr>
<td></td>
<td>Commercial Manager, Head of Logistics.</td>
</tr>
<tr>
<td>Managerial</td>
<td>Senior Buyer, Category Manager, Contracts Manager, Contracts Officer,</td>
</tr>
<tr>
<td></td>
<td>Logistics Manager, Supply Chain Executive.</td>
</tr>
<tr>
<td>Operational</td>
<td>Buyer, Procurement Specialist, Supply Chain Analyst, Procurement Executive,</td>
</tr>
<tr>
<td></td>
<td>Procurement Officer, Supply Chain Planner, Logistics Analyst.</td>
</tr>
<tr>
<td>Tactical</td>
<td>Purchasing Assistant, Assistant Buyer, Administrative Assistant, Stock Controller,</td>
</tr>
<tr>
<td></td>
<td>Contracts Administrator, Inventory Planner, Assistant Contracts Officer.</td>
</tr>
</tbody>
</table>

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

cips.org/salaryguide
The Oceania region is experiencing increased instability with the threat of recession being an ongoing concern.

**Ongoing trade tensions between US and China weigh heavily, especially on Australia as China continues to be our major trading partner.**

Wages have largely stagnated throughout the economy, although it is interesting to note that 68% of procurement professionals report receiving an increase. Importantly, procurement continues to be a career in demand in New Zealand and Australia and will be in the future. Employers report that finding the right talent for their procurement teams remains a challenge. Therefore, the key opportunity for procurement in our region is to develop and improve the capability of our procurement teams. Increasingly, feedback from the industry suggests that MCIPS is continuing to gain traction and is a key differentiator when hiring. As in other parts of the world, it is becoming ‘the licence to practise.’

Mark Lamb  
General Manager, CIPS Australasia

Heightened skill shortages are a key feature of Australia’s procurement market as employers continue to add to their headcount. As this year’s survey shows, employers now report increased difficulty finding the right procurement talent.

One trend driving this is the development and implementation of CSR focused policy. This has increased demand for Procurement Managers with a firm grasp on policy to implement the necessary procurement reform, as well as Procurement Specialists and Category Managers with experience enabling the supplier base to align with wider CSR objectives.

Meanwhile, the creation of a digital strategy for procurement has created significant demand for IT category management expertise along with Procurement Officers, Procurement Specialists and Contract Managers with sourcing systems subject matter expertise and change management skills. Over the last 12 months, we’ve also seen an increased interest in candidates who have CIPS/ MCIPS accreditations.

With procurement now fully imbedded within organisations and valued for its ability to deliver cost savings, procurement professionals will remain in high demand. To help overcome skill shortages, employers need to consider new ways to attract and retain top talent. Becoming more flexible in the industry background required in candidates, engaging staff and upskilling will therefore become more important in the year ahead.

Tim James  
Managing Director  
Hays Procurement, Australia

A significant shift took place in New Zealand’s procurement market over the past year, with employers repositioning their focus from short-term contract roles to longer-term contracts and permanent vacancies. With employers adding to their headcount, we also saw demand increase for Category Managers, Procurement Specialists, Procurement Managers and Coordinators.

Procurement professionals with specific skills in property, IT and services will remain in particularly high demand throughout the year ahead, as will those with end-to-end procurement experience. As noted in this report, soft skills are important to employers too. In particular, we’re seeing demand for relationship building and stakeholder management skills.

Like Australia, sustainability, corporate social responsibility and technological change remain agenda items when planning procurement strategy and delivery. Consequently, candidates with skills in these areas of procurement have a competitive advantage in today’s job market.

Adam Shapley  
Managing Director  
Hays, New Zealand
Our report continues to highlight the higher earning power of MCIPS members, who on average enjoyed 21% higher salaries than their non-MCIPS peers this year. This demonstrates the value employers place on MCIPS as a mark of professionalism, capability and integrity; MCIPS members have shown real dedication to their careers in procurement through achieving, for example, CIPS professional qualifications. Those with Chartered status also commit to CPD which ensures that they are constantly performing at the top of their game.

Consistent with the trend we observed since we began reporting on Australasia, the highest salaries continue to be paid in the Private Sector at AUD 143.2k on average. The Public Sector follows, with average salaries at AUD 128.3k, both increasing by 2% since 2018, while the lowest salaries are seen in the Charity/Not For Profit Sector at AUD 120.5k.

The most substantial increases were seen at Advanced Professional and Professional levels, and by a small amount at the Tactical level, with decreases seen at Managerial and Operational levels. Salary increases and bonuses were very similar to 2018, with 68% of respondents stating they had received a pay rise in the last 12 months and 33% a bonus.

Women continue to earn less than men and in fact there is an increase in the gender pay gap when compared with 2018: on average men earned 31% more than women, 7% more than in 2018.
Since 2017, we have seen no changes in the most commonly received benefits which remain work mobile phone and flexible working. However, the proportion of respondents having professional body fees paid by employers and receiving support for study/career development increased by 14% and 7% respectively, signifying the growing importance of developing skills in-house and retaining procurement talent during a time when the right skills are much in demand. This also emphasises the value of the career support benefits being a member of an organisation such as CIPS can offer.

During the next 12 months, 66% of our respondents expect to recruit procurement professionals, with 45% stating a marked preference for candidates with MCIPS. Yet the skills shortage remains, with 67% of those responsible for recruitment citing that they had struggled to find the right procurement talent over the previous 12 months.

While lack of sector skills and experience remains the most commonly cited challenge this year, the proportion has reduced by 9%. Meanwhile, those citing candidate salary expectations as a challenge increased by 13%, along with competition from other employers and lack of technical skills which are both up by 10% and 13% respectively. Perhaps to counteract this shift the prevalence of budget restraints has substantially decreased since 2018, by 15% from 50% to 35% in 2019.
Importance of key skills

Communication/soft skills are still seen to be important for procurement professionals to do their job well at all levels of seniority, as are influencing skills which increases in importance by seniority. Other notable findings in 2019 are:

- Leadership and raising the profile of procurement important at Advanced Professional and Professional levels
- Supplier relationship/management and negotiation important from Professional through to Tactical level
- Internal stakeholder management important at Advanced Professional and Tactical levels
- Supplier evaluation and appraisal uniquely important to Operational level
- Tendering and contract management uniquely important at Tactical level.

### Top skills in demand by job level

<table>
<thead>
<tr>
<th></th>
<th>Advanced Professional</th>
<th>Professional</th>
<th>Managerial</th>
<th>Operational</th>
<th>Tactical</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most important</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Management</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2 71%</td>
</tr>
<tr>
<td>Communication/Soft Skills</td>
<td>3 89%</td>
<td>1 93%</td>
<td>1 88%</td>
<td>1 77%</td>
<td>1 86%</td>
</tr>
<tr>
<td>Influencing Skills</td>
<td>1 96%</td>
<td>3 85%</td>
<td>1 88%</td>
<td>3 72%</td>
<td>3 57%</td>
</tr>
<tr>
<td>Internal Stakeholder Management</td>
<td>2 94%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 57%</td>
</tr>
<tr>
<td>Leadership</td>
<td>3 89%</td>
<td>3 85%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Negotiation</td>
<td>-</td>
<td>4 80%</td>
<td>2 85%</td>
<td>5 68%</td>
<td>3 57%</td>
</tr>
<tr>
<td>Raising the Profile of Procurement</td>
<td>4 81%</td>
<td>4 80%</td>
<td>-</td>
<td>-</td>
<td>3 57%</td>
</tr>
<tr>
<td>Sourcing</td>
<td>-</td>
<td>-</td>
<td>3 82%</td>
<td>-</td>
<td>3 57%</td>
</tr>
<tr>
<td>Supplier Evaluation and Appraisal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4 70%</td>
<td>-</td>
</tr>
<tr>
<td>Supplier Relationship/Management</td>
<td>-</td>
<td>2 88%</td>
<td>4 80%</td>
<td>2 75%</td>
<td>2 71%</td>
</tr>
<tr>
<td>Tendering</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 57%</td>
</tr>
</tbody>
</table>

cips.org/salaryguide


**Emotional Intelligence**

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

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

**Your reputation: your personal brand**

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

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

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

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

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

**How to assess and improve EI**

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

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

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

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

Becky Tilney  
Director  
DRIVE
Overall, there has been an improvement in the regard for procurement since 2018. 77% of professionals agreed that the perception of procurement improved in the last 12 months, 2% more than in 2018.

There was also a positive change in procurement being engaged earlier than in previous years with a 7% increase in respondents stating that procurement was engaged from the start of a project; from 44% in 2018 to 51% in 2019. 70% agreed that procurement was valued within their organisation, the same proportion as in 2018, and 58% agreed that staff in other departments in their organisation understood what procurement specialists could offer, a 1% increase from 2018.

The higher earning power of those with MCIPS and the increased percentage of recruiters asking for professionals with MCIPS (or those studying towards) adds further evidence of the importance of having professionally trained staff. This professionalism in turn improves the brand and perception of procurement through the value that they add to an organisation.

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

Scott Dance
Director, Hays Procurement & Supply Chain

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### How procurement is viewed

- **Perception of procurement has improved in the last 12 months**: 77%
- **Procurement is very much valued within my organisation**: 70%
- **Directors and Heads of other departments in my organisation understand what procurement specialists can offer**: 67%
- **Staff in other departments in my organisation understand what procurement specialists can offer**: 58%
- **Procurement is engaged from the start of a project**: 51%
I hope you found this CIPS/Hays Salary Guide and Insights 2019 fascinating, invaluable and the content gives you a steer when planning your own career as well as developing your teams. Whether you’ve read it from cover to cover or dipped into the sections that are most relevant to you, whether it’s for personal career decision-making or developing team maturity, there’s something for every level of professional.

In this ever-changing world, as the Australian economy continues to be tested, businesses will need increasing guidance from procurement about where to go next for suppliers, partners and customers. When strategies need to be re-developed, sourcing tactics revised and new regulations adhered to, procurement and supply chain professionals are absolutely at the core of this activity as guardians of supply chains. Professionals with strong personal skills, building relationships with suppliers and stakeholders will continue to be highly sought-after in the coming decades.

The best talent in the profession will take their organisation confidently into the future and meet the demands of employers looking for capable staff, suppliers looking for customers of choice and the needs of local and global economies. But as talent remains difficult to find and Australia and New Zealand continue to experience a skills shortage, I believe that our members, Fellows and Chartered status professionals have a competitive edge over other professionals. This research bears that out when it comes to the salaries and rewards they receive, and the skills and abilities they demonstrate. Our members have attained a level of knowledge and skills that is of great value in organisations of all sizes and those who are also chartered professionals, have proven even further that their abilities are relevant and up-to-date.

As you’ve absorbed even more statistics, it’s worth reflecting that in this fourth Industrial Age, big data and analytics are becoming increasingly important. Companies hold large reserves of data of all kinds; in different teams and departments, not just in procurement. Unconnected, often without links or understanding, these pockets of insights are left largely unused by businesses and professionals must develop the skills to manage this. Companies don’t always have the expertise to extract the relevant insights that would be useful and develop them into outcomes for their business, but this opportunity sits with procurement.

This guide is not just about statistics but shines a light on the context of the world we are operating in. It adds another dimension to the results and how the results affect not just our profession but the wider business environment. The data shows the full extent of what procurement can contribute to business, including diversity and inclusion in suppliers’ on-boarding practices, or ethical and sustainable approaches to sourcing strategies.

Not all data is of equal value of course, but as the research has been running for many years now, it is THE definitive guide for procurement practitioners on trends, rewards and opportunities in their profession across the Australasia region.

Mark Lamb
General Manager
CIPS Australasia
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.