Procurement Salary Guide and Insights 2019

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 focussed 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 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 particularly 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 in Africa and 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 huge 45% of professionals in Sub-Saharan Africa received a salary increase in the last 12 months – especially at the professional and advanced professional levels.

The survey results are always thought-provoking and challenging as the differences between the sectors in Sub-Saharan Africa still remain. The Private Sector offered the highest salaries and this year the Charity Sector offered the lowest, a drop of 20% from 2018. Though there are differences between all the sectors, having skills and experience in multiple sectors can improve the abilities of everyone in procurement and supply.

The increased gender pay gap is disappointing news. Where in many regions of the world the gap is narrowing, in the African Sub-Sahara, there has been a large jump. In 2018, the gap was only 17% but has jumped dramatically to 49% 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 41% 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 Sub-Saharan Africa 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 survey the salary premium is running at 47%. Combined with the fact that MCIPS members enjoyed salary increases on average of 30% the market value of CIPS professional accreditation is clear in Sub-Saharan Africa. This has to be set in the context of strong salary growth across Public and Private Sector organisations. The Public Sector experienced a 27% increase in wages presumably reflecting the value that procurement professionals can deliver to the Public Sector.

The strong growth of procurement professional salaries indicates the continued demand for qualified procurement professionals in the region and the increasing demand for those professionals outside the Private Sector. This trend is further supported by the positive perception of the procurement profession, suggesting that there is a real belief in Private and Public Sector organisations of the value that procurement professionals create.

The observed widening of the gender pay gap is not encouraging. The extent of the salary gap between men and women is approaching 50%. 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

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

None of us can escape the changes taking place all around us, from political uncertainty and economic pressures through to the digital transformation of the workplace. Procurement teams must therefore be more adaptable than before to continue to deliver optimal solutions for their organisation.

Amidst this climate of change, the procurement profession continues to go from strength to strength and positive perceptions of the profession have grown year-on-year. Talented procurement professionals remain in high demand as organisations navigate the often uncertain market in which they operate, but hiring challenges remain – during the last 12 months, 41% of employers struggled to find the right procurement talent. The impact of these difficulties when searching for talent means salaries for many job roles in procurement continue to be above the national average.

To help mitigate hiring obstacles, there are many aspects of the recruitment process that employers can evaluate and optimise. For example, how easy is it for candidates to apply to your organisation? Are you effectively showcasing your employer brand and promoting why a procurement professional should want to work for you? Are your hiring practices fully diverse and inclusive? All of these must be considered and acted upon for employers to be in the best position to find the talent they need to grab the opportunities ahead.

Creating a pipeline of talented procurement professionals with the right skills not only for the short-term, but for the long-term too, will stand organisations in good stead. It will help them to continue building positive perceptions, ensure they are better equipped to face the challenges and enable them to access the skills they need to drive growth.

We hope you find the insights covered 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
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.
Sub-Saharan Africa

One of the most notable shifts we have seen in Sub-Saharan Africa in recent years has been in the perception of procurement, with a highly significant 85% of our survey respondents agreeing that procurement is valued within their organisation.

Leading procurement functions are increasingly being recognised as a strategic function, integral to an organisation’s value stream. In addition, procurement leaders are seen to be expanding their remit from a focus on cost leadership to enabling integrity and certainty of supply, agility and ultimately competitive advantages. It is hoped that procurement professionals continue to positively influence and contribute to the overall business strategy and focus.

Of all the regions we surveyed, Sub-Saharan African is the one where we see the least challenges in finding talent and this is an extremely positive picture for organisations looking to build their procurement functions. The most commonly challenge is budget restraints but even this has reduced; by 23% since our last report.

More disappointingly has been an increase in the gender pay gap, which has gone from men earning 17% more than women in 2018 to 49% more. We must raise awareness of this and ensure that it is dealt with in order to narrow the disparity and achieve a level playing field.

Hemant Harrielall

Head of CIPS Southern Africa
This year our report continues to highlight the higher earning power of MCIPS members, who on average were paid 47% more than their non-MCIPS colleagues, 15% more than in 2018.

This signifies 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.

The highest salaries are seen in the Private Sector at USD 21.1k on average, followed by the Public Sector at USD 19.4k which has increased by 27% since 2018. While the Charity/Not For Profit Sector had the highest salaries in 2018, in 2019 it reported the lowest salaries at USD 17.3k on average, a 20% decrease.

45% of respondents received a salary increase in the last 12 months and 34% received a bonus. Average salaries increased substantially at Advanced Professional and Professional level, moderately at Tactical level and by a small amount at Operational level. The biggest pay gap was between Professional and Managerial levels.

It has been disappointing to see an increased gender gap since 2018, with men now earning 49% more than women compared to 17% in 2018.

MCIPS brings credibility to your career and confidence to employers. Join today† and start the journey to your professional licence.
The top benefits our respondents received in 2019 were largely the same as in 2018, with private medical insurance continuing to top the list as the most commonly received. However, long service awards dropped out of the top five and was replaced by professional body membership, emphasising the importance of the career support benefits being a member of an organisation such as CIPS can offer.

Please note, these findings reflect the benefits that are received rather than demanded. It is still essential for employers to tailor their benefits packages to offer the benefits professionals value most highly in order to attract and retain the best talent.

During the next 12 months, 72% of our respondents expect to recruit procurement professionals compared to 65% in the UK, with 81% stating a marked preference for candidates with MCIPS. Yet the skills shortage remains and during the last 12 months 41% of our respondents responsible for recruitment reported challenges in finding the right procurement talent.

However, this was a 5% decrease since 2018 and was the lowest percentage we saw among all the global regions surveyed. This is a positive development, signalling a greater perceived availability of skills. Budget restraints remained the most cited challenge, but its prevalence has substantially decreased, dropping to 41% from 64% in 2018.

The top 5 entry for 2019

PROFESSIONAL BODY MEMBERSHIP FEE
4TH MOST COMMON BENEFIT received in 2019

New top 5 entry for 2019

5% increase on 2018

Finding talent

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Challenges in recruiting the right talent

- Budget restraints: 41%
- Candidate salary expectations: 38%
- Internal processes/HR: 38%
- Lack of sector skills and experience: 38%
- Lack of technical skills/evidence of formal procurement training: 30%
- Competition from other employers: 22%
- Lack of soft skills: 14%
- Location: 14%
- Organisational fit: 14%

23% less than in 2018
Supplier relationship/management is seen as the most important skill for procurement professionals to perform their jobs well at all levels. Also this year, there was still a noticeable absence of influencing in the top rated skills, unlike in each of the other global regions we have reported on.

As would be expected due to the nature of the roles, other notable findings in 2019 were:

- Negotiation remains in the top five skills at Professional through to Operational level
- Leadership remains important at Advanced Professional, Professional and Managerial levels
- Market analysis and supplier evaluation and appraisal are important at Operational and Tactical levels
- Raising the profile of procurement uniquely important at Advanced Professional level

### Top skills in demand by job level

<table>
<thead>
<tr>
<th>Most important</th>
<th>Advanced Professional</th>
<th>Professional</th>
<th>Managerial</th>
<th>Operational</th>
<th>Tactical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication/Soft Skills</td>
<td>1 (97%)</td>
<td>3 (87%)</td>
<td>3 (87%)</td>
<td>1 (85%)</td>
<td></td>
</tr>
<tr>
<td>Contract Management</td>
<td>1 (100%)</td>
<td>3 (89%)</td>
<td>3 (89%)</td>
<td>1 (100%)</td>
<td></td>
</tr>
<tr>
<td>Data Analysis/Business Int</td>
<td>1 (95%)</td>
<td>3 (87%)</td>
<td>2 (90%)</td>
<td>2 (86%)</td>
<td>1 (94%)</td>
</tr>
<tr>
<td>Influencing Skills</td>
<td>1 (95%)</td>
<td>3 (89%)</td>
<td>2 (90%)</td>
<td>2 (86%)</td>
<td>1 (94%)</td>
</tr>
<tr>
<td>Leadership</td>
<td>2 (94%)</td>
<td>1 (100%)</td>
<td>3 (89%)</td>
<td>3 (86%)</td>
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<tr>
<td>Market Analysis</td>
<td>3 (90%)</td>
<td>3 (89%)</td>
<td></td>
<td>3 (89%)</td>
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</tr>
<tr>
<td>Negotiation</td>
<td>4 (86%)</td>
<td>1 (94%)</td>
<td>2 (90%)</td>
<td>2 (86%)</td>
<td></td>
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<tr>
<td>Raising the Profile of Proc</td>
<td>3 (89%)</td>
<td>2 (89%)</td>
<td>3 (89%)</td>
<td>3 (89%)</td>
<td></td>
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<tr>
<td>Sourcing</td>
<td>2 (92%)</td>
<td>1 (94%)</td>
<td>2 (93%)</td>
<td>2 (86%)</td>
<td></td>
</tr>
<tr>
<td>Specification Development</td>
<td>4 (86%)</td>
<td>2 (93%)</td>
<td>1 (94%)</td>
<td>2 (86%)</td>
<td></td>
</tr>
<tr>
<td>Supplier Evaluation and App</td>
<td>1 (94%)</td>
<td>3 (89%)</td>
<td>1 (94%)</td>
<td>3 (89%)</td>
<td></td>
</tr>
<tr>
<td>Supplier Relationship/Manag</td>
<td>1 (97%)</td>
<td>3 (87%)</td>
<td>3 (89%)</td>
<td>3 (89%)</td>
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<tr>
<td>Tendering</td>
<td>3 (87%)</td>
<td></td>
<td>3 (87%)</td>
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cips.org/salaryguide
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, the perception of procurement in Sub-Saharan Africa continues to be a positive one, with 85% of procurement professionals feeling that procurement is valued within their organisation. As in 2018, this was the highest proportion of all our reporting regions. 83% of respondents agreed that this perception has improved in the last 12 months, 4% more than in 2018, and 75% agreed that Directors and Heads of other departments understand what procurement specialists can offer, a 3% increase since 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
Conclusion...

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 and developing your teams. Whether you've read it from cover to cover or dipped into the sections that are most relevant to you, there's something for every level of professional, whether it's for personal career decision-making or developing team maturity.

In this ever-changing world, if the Sub-Saharan region's economic growth 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 the region's supply chains. Professionals with strong personal skills, building relationships with suppliers and stakeholders will continue to be highly sought-after in the coming decades to tackle challenges in the region such as fraudulent and corrupt practices.

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 reliable customers and the needs of local and global economies. But as talent remains difficult to find and the Sub-Saharan African region continues to experience a lack of skills, I believe that the best people are our MCIPS and Fellows. 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 skill that is of great value in organisations of all sizes and those members that are also Chartered status professionals, have proven that their abilities are relevant and up-to-date.

The market in which we operate is transforming, but the procurement profession is well-placed to overcome any challenges ahead. Building a pipeline of talent will be key to continuing the positive trends we have seen in the profession not just from the last year, but over the last five years since we began reporting.

Competitive pay will always be important to find the best procurement talent, but effective talent management strategies and career planning from their first role in the profession all the way up to the most senior positions is also vital. Information about career progression opportunities should therefore be clearly promoted throughout the recruitment process. For example, make sure it is referenced on your website and discuss potential career paths with candidates during interviews to help keep them engaged and show them the potential opportunities.

As senior leaders continue to turn to procurement to help achieve their objectives and find optimal solutions to the challenges they face, procurement professionals should evaluate their skillset to ensure they are able to meet these demands as effectively as possible. Soft skills are highly valued, and stakeholder management is an important skill to develop across all levels of seniority to put professionals in a better position to play a more strategic role within an organisation.

The procurement profession continues to be an attractive career choice, and with the right teams in place, will continue to go from strength to strength.

Scott Dance
Director
Hays Procurement & Supply Chain

It’s worth reflecting that in this fourth Industrial Age, big data is 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 with other departments, these golden nuggets of insight are left largely unused by businesses. Our 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 and responsibility 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 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 inclusivity when suppliers are chosen, or when ethical sourcing is conducted.

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 professionals on rewards and opportunities in their profession and in the Sub-Saharan region.

Hemant Harrielall
Head of CIPS Southern Africa
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.