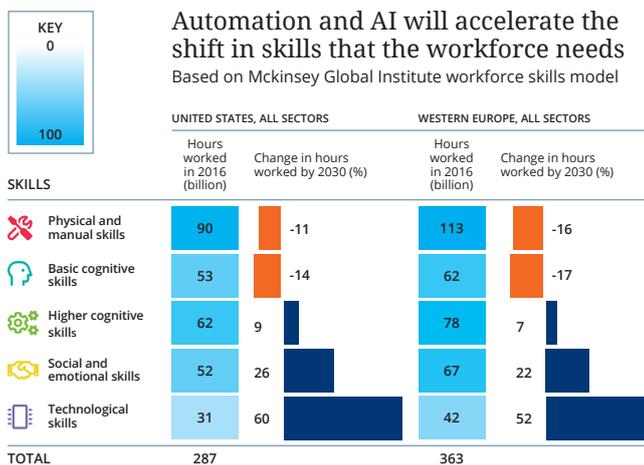


# SOFT SKILLS: THE MOVE TOWARDS BEHAVIOURAL PROCUREMENT

The CIPS/Hays Salary Guide 2020 highlights a growing recognition of the importance of soft skills to today's procurement professionals. Communication, supplier relationship management (SRM), influencing skills, internal stakeholder management and leadership are all, along with others, part of the soft skills, or 'Behavioural Procurement', skills<sup>1</sup> from a growing body of academic research.

Right now, due to advances in technology driven by AI, RPA and digital platforms, along with the need to manage ever-increasing complexity in supply chains and geographical diversity, a skill shift is taking place. The McKinsey Global Institute (MGI)<sup>2</sup>, see chart below, graphically predicts the skills that will be needed in ten years' time (2030), and highlights social and emotional skills as the second highest area of growth and a key partner to technical skills.



NOTE: Western Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom. Numbers may not sum due to rounding.

SOURCE: McKinsey Global Institute workforce skills model: McKinsey Global Institute analysis.

## CIPS Tips

Behavioural Procurement is not new and further guidance can be found in CIPS Knowledge:



[Podcast: Behavioural Procurement](#)



[Paper: Behavioural Procurement \(2018\)](#)



[Paper: Critical Thinking Skills \(2019\)](#)



[Book: Soft Skills for Hard Business](#)

## References

<sup>1</sup> WEF, Leadership in the fourth industrial revolution 2018

<sup>2</sup> McKinsey Global Institute workforce skills model: McKinsey Global Institute Analysis

<sup>3</sup> Soft Skills for Hard Business, Loseby D. L., Cambridge Academic ISBN 1903-499-93-3

Behavioural Procurement, derived from Behavioural Economics, captures both known and new attributes as part of a more comprehensive and critical set of the soft skills of the modern procurement professional<sup>3</sup>. This includes:

- Emotional intelligence (EI)
- Active listening skills
- Neuro-linguistic programming (NLP)
- Effective communication
- Stakeholder management
- Behavioural sciences (heuristics and biases)
- Psychology (applied cognitive)
- Decision sciences
- Social sciences

For more accurate and comprehensive descriptions and narrative please refer to the CIPS recommended reading book: Soft Skills for Hard Business<sup>3</sup>.

In order to put soft skills into context, in 2018 I developed a model for procurement and supply professionals which identifies that even in transactional situations there is still a need for aspects of soft skills to be used. The Sociotechnical Ecosystem People Descriptors model sets out at a summary level what to expect in each of the quadrants that we are all familiar with having studied the work of Peter Kraljic and his famous four box matrix.

### PRICE EXPLOITATION BASED (LEVERAGE)

- Low empathy
- Non relational
- Effective communication skills (written and oral)
- Effective listening skills
- Stakeholder management

### COLLABORATION BASED (STRATEGIC)

- SRM +
- High levels of EI
- Trust established and maintained at all levels
- Fairness and open minded
- Use of ISO44001 tools and techniques
- Collaborative contract form (e.g. ICW: CRAFT Framework, Vested, etc.)
- High Cognitive frame (Paradoxical/ Hierarchical)

### TRANSACTION BASED (NON-CRITICAL)

- Effective communication skills (written and oral)
- Effective listening skills
- Stakeholder management
- Moderate empathy
- Transactional relational skills

### INNOVATION BASED (BOTTLENECK)

- SRM based with a clear end point and potential exit on the right basis for all parties
- Creative skills balanced with structure and pragmatism
- Agility and flexibility
- Cognitive diversity
- Trust enabling
- System for collaboration across entities/teams

*Sociotechnical Ecosystem People Descriptors (Loseby 2018)*

"The role of procurement is changing and evolving continuously and as the recent WEF report stated, current skills learnt will only have a half-life of five years<sup>1</sup>. Essentially, we must not simply educate for what we know today, but we must acquire the skills and attributes to equip ourselves for the opportunities of the future. In short, soft skills are no longer a nice to have, but a critical factor that employers consider for their teams now!"

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