Understanding the procurement gender pay gap

It’s clear that much more needs to be done to ensure that women are progressing into senior roles in procurement, and that they are paid commensurate to their male counterparts. That the pay gap has widened so much at Advanced Professional level shows action needs to be urgent and bold.

Identifying causes is the first step to taking action
The causes of the gender pay gap are wide and varied, even within sectors, and so it is important that each employer takes the time to look at their own data and diagnose the causes within their organisation. Before any action can be taken, employers need to understand whether women are just not applying for jobs in their organisation, getting stuck at a certain level, or if there is a lack of parity in pay due to a difference in the way that men and women negotiate their salary, or are women being lost at a certain stage, for example when returning from maternity leave. The most effective actions are those which seek to de-bias systems and processes, rather than making attempts to de-bias people.

Encouraging diversity in the recruitment process
When recruiting it is important to look at your job advert and assess whether it will appeal to both men and women, some language choices can be off putting. It is important when putting together a shortlist of qualified candidates to make sure that more than one woman is included. Evidence shows that shortlists with only one woman do not increase the chance of a woman being selected.

Use structured interviews and follow the same format for all candidates. Unstructured interviews are more likely to allow unfair bias to creep in and influence decisions. Rather than relying solely on an interview, ask candidates to perform tasks that they would be expected to perform in the role that they are applying for. This increases the likelihood of appointing the best candidate rather than the most confident candidate.

Evidence shows that women are less likely to negotiate their pay. This is partly because women are put off if they are not sure about what a reasonable offer is. Employers who clearly communicate a salary range on offer encourage women to negotiate. It helps an applicant know what they can reasonably expect and stops pay discrepancies at senior levels.

It is important as well to be transparent and open about pay and reward processes, policies and criteria for decision-making. This means that employees are clear about what is involved, and that managers understand that their decisions need to be objective and evidence based, because those decisions can be viewed by others. Introducing transparency to promotion, pay and reward processes can reduce pay inequalities.

The importance of acting now to reduce inequality
While the vast majority of people understand that championing gender equality is the right thing to do, and that economic empowerment is just as important for women as it is for men, there is still a long way to go before that translates into action. Strong and decisive action is needed to stop the massive waste of talent and the injustice that continues while this disparity is in place. Diverse businesses are more effective businesses, so the case for this continues way past what is morally right. All employers should be clear about their pay gap, their analysis of the cause and the action that they are taking to deal with it, otherwise we can expect to see this pay gap number continue to grow.

Elysia McCaffrey
Deputy Head of GEO
and Head of Gender
Government Equalities Office
Building a More Diverse Workforce and Inclusive Workplace

Improving diversity and inclusion (D&I) within the workplace has increasingly become a top priority for many procurement leaders, but the road to becoming truly diverse and inclusive can be long and complex.

As leading recruiting experts, Hays is very often the bridge between the world of work and the talent it seeks. Given the breadth and depth of our recruitment operations, we are uniquely placed to secure insights, provide employers with hiring advice and effect positive change across a range of industries. We have begun our own D&I journey, leading us to achieve the National Equality Standard (NES), one of the UK’s most rigorous and prestigious accreditations for equality, diversity and inclusion (ED&I).

The case for improved D&I in procurement

There are many benefits to building a more diverse and inclusive workplace, and there are several actions that employers can take to improve the attraction, selection and retention of diverse talent. For the first time in this year’s CIPS/Hays Procurement Salary Guide and Insights 2019 survey, we explored the topic in more detail.

The results showed more than 90% of both men and women agreed that a diverse and inclusive workplace culture can:

- Encourage greater creativity and innovation in their team
- Help employees to reach their full potential
- Create a more attractive place to work for prospective candidates, which in turn increases access to skills from a wider talent pool

Over 80% of men and women also agreed that a diverse and inclusive workplace culture improves team productivity and helps to improve staff retention. This is especially important to note as employers struggle with prevalent skills shortages amidst an uncertain economic and political climate.

Still room for improvement

Despite these clear benefits, employers still face challenges in turning what they know into action within a day-to-day business context. For example, when assessing the existence of several well-proven steps which can assist the delivery of more diverse and inclusive recruitment outcomes, our survey showed that:

- Over a third of organisations surveyed still do not do use language which is purposefully unbiased to describe their vacancies, organisation and culture
- Only just over half of respondents told us that the imagery and branding in their recruitment materials reflects a diverse workforce
- Over a third of women and a quarter of men said they do not believe their organisation proactively works to source diverse candidates when hiring
- Issues also exist during the interview process – when we asked employers whether they ensure that their interview panels are diverse, only 28% agreed.

How to incorporate D&I into hiring processes

Organisations that proactively source diverse candidates when hiring stand to benefit from being more likely to attract professionals from a wider range of demographics and therefore access a broader pool of talent.

Hays conducted their own survey of over 9,300 professionals, and the resulting Hays Diversity & Inclusion Report 2018 examines the current maturity of D&I policies, practices and behaviours in organisations. The report also offers practical advice to support more diverse and inclusive workplaces and recruitment outcomes which can be applied to hiring more diverse procurement teams:

1. Start off by being self-aware

Leaders and managers must ‘lead from the front’, learning to recognise their own unconscious biases and implementing regular training for managers to mitigate the impact of these biases when it comes to hiring. Doing so enables leaders to be authentic champions for better diversity and inclusion in their organisation.

2. Review your recruitment materials

The words and phrases you use in a job description and person specification can have a significant impact on whether or not a professional applies for a role. Review them for any biased language and ensure a wide range of social groups are depicted in your recruitment materials. Include statements about your organisation’s commitment to D&I and don’t forget to add a line that encourages applicants from all backgrounds to apply.

3. Maintain diversity throughout the selection process

Continue having a heightened awareness of the potential impact of bias by including diverse stakeholders when reviewing and selecting CVs or application forms as well as when interviewing. You could also consider undertaking ‘blind’ decision-making (where identifying criteria are removed from applications and CVs) during the shortlisting process so that choices are made based solely on the required skills and competencies of a candidate.

Everyone deserves to work in a safe, supportive and respectful environment. Despite progress being made to improve D&I in many workplaces, there is still plenty more to be done. Taking the time to ensure D&I is understood, introduced and embedded into your own hiring and selection processes is a good step towards building a more diverse and inclusive workplace in your own organisation.

Yvonne Smyth
Group Head of Diversity and Inclusion
Hays
Taking the leap: how to take on your first interim role

Sourcefield Consulting Limited

The majority of Brian Phipp’s career has been spent in permanent procurement roles, spanning the telecoms, pharmaceutical and transport industries, with his primary expertise being in HR and professional services, but also stretching across other areas of spend including marketing, facilities management and construction.

Managing the transition from permanent to interim

This changed in 2013 when his job of 11 years became ‘at risk’, causing Brian to opt to take redundancy, fully expecting to move seamlessly into another permanent role. However, he faced slow recruitment processes with four or five different stages for each application. During his search for his next permanent position, Brian was approached for an interim role, an option he had not even considered. He decided to take the leap and was quickly offered an interview for an HR and professional services interim role, followed by an almost immediate offer and a fast on-boarding experience. Brian says that understanding his own mental wellbeing helped him to handle the transition to contracting: “This understanding meant I was able to show up to interviews without the insecure thoughts that may have caused me to question whether I would be able to do the job or what to do if I ended up unemployed for months. I was able to get on with the job in hand with a clear mind and it was easier to connect with new colleagues and stakeholders to gauge what was really needed in the role.”

The challenges of being an interim

Of course, switching from a permanent to an interim role is not entirely simple. As Brian outlines, “One of the main challenges I faced was having to hit the ground running, usually with little or no handover, induction or training and often picking up a large work backload. Having to quickly adapt to new organisations, sectors, cultures, ways of working and supply chains, and knowing you will then move to another contract and start over again.”

“Another aspect to juggle is gaining an understanding from your client of whether you’re just there to get things done, or alternatively, if your suggestions for other ways of working or reviewing business processes, etc. are welcomed.”

Brian has identified ways to overcome these common challenges, including:

- Understanding where your psychological experience comes from. This helps you to work productively and creatively and makes it easier to connect with the varied personalities you inevitably work with in each new organisation.
- Reading up about the organisation’s functions to familiarise yourself with their way of working.
- Meeting key stakeholders in the organisation, asking lots of questions and really listening to the answers.
- Being ready to quickly learn how things work in terms of getting things ‘over the line’, including what processes need to be followed and how previous activities were done.
- Being adaptable and developing your ability to engage and communicate effectively with different styles of management and personalities.

The benefits of being an interim

Despite the challenges, Brian feels there are many benefits to working as an interim. For example, interims get the opportunity to gain more experience, knowledge and skills by moving from project to project compared to staying in one company. Contracting lets you meet and build new relationships with a much wider variety of people. You can also often earn more money and have a lot more freedom in how you choose to allocate it, such as pension, training or healthcare. There is also the option to take time out between assignments, offering true work flexibility. The aspect that Brian enjoys most about being an interim is that he is running his own company: “There is nothing quite like having your own company. Even though I’m still in effect ‘working’ for big blue chip corporates, there’s a dynamic that is very different when you’re not an employee, even when you’ve really integrated into a role/team and the client’s environment.”

Brian has drawn on numerous transferable skills from his time as a permanent professional including core capabilities built through the CIPS programme, especially negotiation skills and contract writing, as well as key learnings from employers’ technical and cross-functional programmes. Having good sector experience was also a bonus, such as OJEU, working in regulated environments and within federated-type business models.

Interim roles will likely vary between covering for permanent roles and working on specific projects. Project management skills are therefore useful for those thinking about making the move. Softer skills are also essential, including communication and stakeholder management, to get you up to speed quickly when starting a new role and because in some organisations you may be seen, perceived, thought about or treated differently to permanent staff.

Ultimately, Brian did not consider becoming an interim until he decided to take redundancy from his long-term permanent job. Since switching to contracting, he has learnt that your peace of mind does not necessarily come solely from having a full-time job, which may be the reason holding some permanent professionals back from taking on that first interim role. His advice to professionals thinking about changing job is to consider the full breadth of options available to you and don’t be held back by any fearful thinking, and who knows, you could soon become an interim yourself.

Brian Phipp MCIPS
Director
Sourcefield Consulting Limited
Attracting and retaining talent

Clifford Chance

Clifford Chance is one of the world’s pre-eminent global law firms, with significant depth and a range of resources across five continents. As a single, fully integrated, global partnership, we pride ourselves on our approachable, collegial and team-based way of working.

Clifford Chance Procurement was proud to be shortlisted for two CIPS Supply Management Awards in 2018; for Step Change Improvement and Young Professional of the Year (Danielle Douglas MCIPS).

The challenge

Clifford Chance Procurement aspires to be the leading legal procurement team through maximising the value the firm derives from its suppliers. To ensure success will require the combined efforts of a number of highly talented individuals. At the same time, high performing procurement professionals in the market are becoming increasingly aware of their value and are selective in where they choose to work; this makes attracting and retaining talent more challenging but also more important than ever.

Our approach

To effectively attract and retain the best talent Clifford Chance Procurement has focused on three areas, namely:

1) Raising the external profile of the procurement function
2) Creating an attractive and inclusive work environment
3) Investing in personal development

Raising the external profile of the procurement function

Strong prospective applicants will often research the organisation and these searches need to highlight the benefits to them of working for the company. This googleability is important in providing a strong first impression before they have any interaction with you. It is one thing to have a fantastic procurement department but there needs to be external awareness of this for it to deliver maximum impact.

Some examples where Clifford Chance have worked to do this are:
- Being shortlisted for two CIPS Supply Management Awards
- Attending and contributing to the CIPS Professional Services Knowledge Group
- Presenting at the annual CIPS Conference
- Contributing to several Supply Management articles on a number of topics including: talent management, diversity, reverse mentoring, Procurement 4.0 and innovation
- Supporting team members to present at conferences and events on subjects that reflect our culture
- Developing a recruitment pack that highlights our vision and team culture

Creating an attractive and inclusive work environment for prospective candidates

Retaining talent once you have it can be challenging; increasingly companies need to think creatively around the total package rather than a sole focus on salary. The aim is to create something sticky so that high performers won’t want to leave.

Some ways that Clifford Chance focus on ensuring an attractive workplace are:
- Promoting diversity within the team. Build a diverse team who each share their own perspectives and are members of the firm’s diversity groups and champions
- Encouraging personal accountability. All team members have annual objectives to identify and deliver at least one improvement a year
- Having a plan to undertake quarterly workshops which focus on delivering the procurement vision ensuring tasks are distributed equally among the team
- Supporting flexible working and work on an outcome-based delivery model

Investing in personal development and providing opportunities for growth

The approach to personal development goes beyond simply sending staff on training courses; encourage open conversations with team members around their aspirations and capabilities to ensure the best outcome for the individual and the department.

Some examples of development Clifford Chance provide are:
- Structured personal development plans for all team members
- Rotation of additional roles and responsibilities - for example, chairing team meetings or team events
- Running quarterly workshop training sessions
- Monthly lunch and learn session
- Leveraging the CIPS Professional Services Knowledge Group to provide a platform for cross company projects and development
- Delivering team development days focused on refining specific skills, such as presenting and SRM

There is no easy answer when looking to attract and retain the best talent. Clifford Chance invests a lot of time and effort in the above three areas and understand their importance in meeting objectives. As a result they are able to attract and retain highly motivated, capable and talented individuals.

Chris Emberton MCIPS

Procurement Director
Clifford Chance
Developing talent from within

Heineken

Heineken is a Dutch brewing company with operations in more than 70 countries, each with its own country-specific procurement function supported by a global procurement team. Here in the UK, we are very proud to be one of the company’s leading procurement teams: our ‘climate survey score’, an internal benchmark of performance, was the second best in Heineken global procurement 2018, making us Heineken UK’s most attractive team to work in.

One of the fundamental goals of our procurement department is to recruit, develop and retain high-performing, talented colleagues. As a leadership team we proactively search internally and externally in a variety of ways, including by creating a video of a day in the life of ‘a role’ and detailing why our department is an attractive place to work through social media channels. Internally, we proactively build our vacancy pipeline and succession plans where we can draw on internal candidates identified through our talent ‘fishing’ and ‘sit by’ events hosted by the team. We also host lunch and learn events where we raise the profile of the department and procurement.

Fostering an environment of CPD

Members of the procurement team across all levels are actively encouraged to pursue professional qualifications such as those offered by CIPS. We have created an environment where the team are motivated to attend CIPS branch events, external conferences, innovation days and networking opportunities, within the context of our ‘Bringing the Outside in’ agenda, and focus on continual professional development. We also offer a global procurement academy and an i-learning programme to further increase specialist knowledge and enhance soft skills. The increased training and development has improved team morale which is visible not only in the team but in the delivery of our cost and cash objectives year on year. Each colleague has their own personal development plan based on a skills gap analysis, 180 feedback and personality profiling where they own the progress and this forms part of their monthly one-to-ones and annual review. This allows the leadership team to capitalise on strengths within the team and develop where lesser strengths have been identified. The procurement leadership team mentor and coach all team members and are also involved in the wider business mentoring programme.

Investing in flexible working

Our climate survey results have increased year on year and this has been achieved by laying foundations of trust and true leadership within the team where we have created a safe and empowered environment. We also offer flexible working hours which has allowed us to retain team members who were looking to reduce their hours due to life events and allowed us to tap into a completely new talent pool previously unavailable. In addition, we offer working from home arrangements to help maintain a healthy work-life balance.

Inclusion and recognition

To maintain our employee engagement and inclusion, team members are encouraged to create the monthly team meeting agenda based on a theme of their choice where they can invite training providers, other departments, suppliers or companies to present to the team. Twice each year we also schedule team-building events which range from problem solving to charitable work. Heineken offers a company recognition scheme where we can actively promote our own team achievements throughout the year. And it’s always nice to hear a thank-you, for a job well done.

Top tips

1. Attract talent by promoting your team or department's successes and achievements online and on social media
2. Raise the profile of your function in your own organisation at lunch and learn events
3. Maximise team performance by encouraging a culture of constant learning through, for example, CIPS qualifications
4. Offer flexible working in order to tap into new talent pools and retain talent that may have been lost due to life changes
5. Recognise and celebrate everyone's successes!

Kimberley Campbell FCIPS
UK Category Buyer
Heineken UK
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