Interims

Examining the position and importance of interim professionals within the procurement profession, including where they work, what kind of projects they work on and how they are remunerated.

In our current time of economic uncertainty, it is perhaps unsurprising that employers should postpone decisions to recruit into permanent positions and add to overheads.

This has led to a positive market for interims in recent years who continue to be most commonly assigned to change and transformation projects, particularly within Central Government. We also continue to see a move to shorter contracts, in particular contracts of one to three months, although interims may of course work on a number of rolling contracts with one employer.

“The interim market has remained busy over recent months and opportunities are widely available. With skills shortages still prevalent for procurement employers, many continue to turn to the skills and flexibility of interims to deliver on projects. Interims can therefore make the most of the buoyant market and demand the best possible rates for their work.

The demographics of interims will continue to shift in the coming years. An ageing population and more professionals working for longer than ever before means that staying in a job for life is no longer a reality for many. As a result, we are likely to see more professionals who have worked in permanent roles for the majority of their careers choosing to make the move to interim roles, taking their experience and skills with them. We may also see a younger generation of interims emerge who want to be more in control of their careers; something that interim positions are able to provide.”

Scott Dance
Director
Hays Procurement & Supply Chain
Continuing the trend of the last three years, the most common project for interims was change and transformation projects. The 5% increase in this figure may be due to an increase in such projects within Central Government.

Over the past year businesses explored various scenarios in preparation for Brexit. We continue to see an increase in the number of interims working in category management implementation (up by 5% from 2018), and strategy and performance (up by 4%). Strategic sourcing exercise assignments for interims declined by 8% since 2018, but we are expecting to see a rise in these once category management implementation and strategy and performance assignments have been completed.

As in 2018, the most common reason for recruiting interims in the Private and Public Sectors was as an additional resource. This was particularly pronounced in the Public Sector, with 8% more respondents citing this as a key reason than in 2018. The most common reason in the Charity/Not For Profit Sector was for a specific project, with the proportion citing this as a reason increasing by 25%.

This year we continue to see a shift to shorter contracts, with a marked tendency towards contracts of between three and twelve months. Contracts of one to three months increased from 18% to 24%, and there was an 8% decrease in contracts of six to twelve months. However, it is probable that interims stay with one employer for longer by working on several back-to-back short contracts.

Brexit will no doubt play a role in interim hiring in the months ahead. However, our survey shows that employers are continuing to recruit interim professionals as usual to undertake ongoing projects. While employers often hire interims for their specific technical skills, interims should bear in mind the importance of having a strong set of soft skills too. Employers often look for interims with strong stakeholder management skills who interact well with other people and have a practical, hands-on approach.

Scott Dance
Director, Hays Procurement & Supply Chain
Reforms to IR35 legislation in the Private Sector will be a leading factor impacting the interim market in the year ahead. IR35 reforms, which came into force in April 2017 for the Public Sector, are due to be extended to medium and large organisations in the Private Sector from April 2020. These reforms pass the responsibility for determining the tax status of all personal service company (PSC) interim workers to the hiring organisation, including potential liability for tax and national insurance contributions. Employers in the Private Sector need to prepare to ensure they are not negatively affected by the changes. For further information about the upcoming changes and how you can prepare, visit hays.co.uk/IR35

Scott Dance
Director, Hays Procurement & Supply Chain
Consistent with all of our previous reporting on interims, flexibility, variety of work/experience and pay continue to be the top three reasons for becoming an interim. However this year, with a 7% increase since 2018, redundancy replaced experience as the fourth most common reason.

Redundancy from a permanent position offers an opportunity for professionals to take on an interim role and experience working in different areas of procurement which they may not have considered before. The benefits of taking on a contract position include increased control over their career and greater flexibility.

Again, interims tend to be older than those who are employed on a permanent basis:
- 1% of interims are aged 25-29 years, compared to 18% of those working on a permanent basis
- 21% of interims are aged 56-65 years, compared to 6% of those working on a permanent basis

The number of interims aged 46-55 years increased from 38% in 2018 to 47% in 2019. Having acquired considerable experience, these professionals may be willing to take redundancy from their permanent roles and use the time during which they are supported by redundancy pay to launch their careers as interims to achieve more work-life balance. It may also be that such senior people are seeking the variety and new challenges that interim contracts can offer.

Most of our interim respondents were still based in London, and this has increased by 7% to 40% in 2019. The North West saw the largest increase in the number of interims to become the second largest region, as the Northern Powerhouse continues to enjoy much investment and require skilled procurement people to drive expansion in the region.

The number of interims stating that they would only travel locally for a role increased even more: 50% in 2017, 55% in 2018, and 67% in 2019. Meanwhile, there was a decrease in those willing to travel internationally or nationally, by 7% and 5% respectively.

Interims by location

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<tr>
<th>Region</th>
<th>Number</th>
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<tbody>
<tr>
<td>London</td>
<td>40</td>
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<td>South East</td>
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<td>South West</td>
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<td>West Midlands</td>
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<tr>
<td>East Midlands</td>
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<td>North West</td>
<td>13</td>
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<td>Yorkshire and Humber</td>
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<td>Scotland</td>
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Average day rates for the profession overall remained at the same 2018 level of £499. Day rates have increased in the Private and Public Sectors, from £553 to £566 and from £404 to £410 respectively. As ever, average interim day rates were highest in the Private Sector, while the largest increases since 2018 were for those working on category management implementation projects, by 15%.

In terms of gender, we observed a slight narrowing in the interim pay gap in 2019, with average day rates for men decreasing by 1% and for women increasing by 5%. Men, however, continue to be on higher day rates than women.

Average day rates for MCIPS interims were higher than for those without and in fact we have seen a greater MCIPS advantage than in 2018 (14% compared to 4%), mainly due to a decrease in non-MCIPS day rates. The importance of MCIPS is particularly pronounced for interims, as employers seek the reassurance of professional ability to achieve more and make high quality decisions in a relatively short time.

It is encouraging to see the gender pay gap closing slightly in the interim market, although there is a lot of work still to be done. Gender diversity in the workplace and, more broadly, equality, diversity and inclusion as a whole, is high on the agenda for many organisations. The benefits of having a more diverse and inclusive workplace are many, including better leveraging of teams and their skillsets, greater diversity of thought from different perspectives and improved staff morale. It is therefore imperative that organisations continue to work towards closing the gender pay gap, which will enable employers to tap into a broader pool of interim talent in this highly competitive hiring market.

Interims also need to be proactive when negotiating their day rates. It’s important to ask yourself how critical that piece of work is for the business when it comes to negotiations. If there is a real need for particular expertise interims will be in a good place to demand a better rate.

Scott Dance
Director, Hays Procurement & Supply Chain
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