

HAYS Recruiting experts
in Procurement

CIPS
Chartered Institute of
Procurement & Supply

INSIDE THIS REPORT

- BENEFITS MOST DESIRED
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- CHALLENGES FOR PROCUREMENT
- SKILLS IN DEMAND
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Procurement Salary Guide

AND INSIGHTS

KEY TRENDS
AND FINDINGS | **2020**

PROCUREMENT SALARY GUIDE AND INSIGHTS 2020



As the latest insights are revealed about the profession, there have been some successes, but we must strive to become even better

As you've picked up this year's copy of the CIPS/Hays Salary Survey and report, you've already demonstrated your commitment to discovering the value placed not only on your skills in procurement and supply chain management, but that of your teams and peers. I would say there are some core insights here and a great deal of progress has been made in our profession as everyone strives to meet the challenges in the 21st century. Though the data was collected before the COVID-19 coronavirus pandemic, the results are still absorbing, especially now as supply chains disruptions wreak havoc and professionals are tested to probably the greatest extent in their careers.

Even without the pandemic, supply chain managers have had a lot to contend with over the past year. The see saw of will we/won't we leave the EU, and the US and China locking horns affecting global trade, gave financial markets the jitters and were just the tip of the iceberg of trials we all faced. But as one threat recedes into the background, others are always waiting in the wings to take their place as recent experience has shown us. Ongoing concerns around how trade negotiations with the EU and the rest of the world will pan out, as well as the human and economic cost of the COVID-19 coronavirus are the new normal. These challenges mean supply chain managers are always on their toes; always on the lookout for the next threat and how to mitigate against it and always learning about how to improve their supply chains and their own skills.

Perhaps that's why the top skill required by businesses from procurement and supply chain professionals in the private sector especially, was risk management. Risk encompasses many things – continuation of supply is just one, the most basic requirement, but we know that supply chain managers are now responsible for a whole lot more. Sustainability issues, protection from corporate reputational risk, eliminating slaves from a business's supply chains, all have to be the highest examples of not just risk management but strong ethical procurement. As professionals we must show greater will, greater transparency, and what I call ethics-plus, to elevate the profession still further.

With this backdrop and with the findings of the report, it's obvious that this profession remains in high demand. When I started in procurement, there were two goals – continuity of supply and value across the supply chain. Now procurement and supply chain professionals must protect corporate reputation, create an environment for best investment opportunities, increase innovation, grow the business and beat off competition, implement digitalisation and the maintenance of sustainable supply chains. That sounds like a lot, and the necessary range of skills both technical and soft skills that are required create the professionals of choice eagerly sought by businesses large and small, and develops our professionals into potentially, the CEOs of the future.

This year's report found that 70% of professionals said procurement was valued at their organisation. Though a positive statistic, I would like it to be higher. Having the right people in the right roles is crucial to the success of every business and we must be more vocal about the benefits of procurement and what as professionals we can do to support business goals.

On a personal career level, procurement and supply chain managers also excel. With an average pay rise of 4.9% compared to the national average of 3.4%, the rewards are there for driven individuals. With 17% more for MCIPS professionals, this means that talent is also being recognised. Therefore, I would urge all our professionals to keep striving and keep training and maintain their up-to-date knowledge to become Chartered professionals and prove those rewards are well-deserved. By demonstrating their relevance not only to their peers, the businesses they work for, and even the profession itself, the impact from highly-skilled professionals will be felt far and wide. Potentially, and collectively, we can make a difference to economies and even the public good; by being the best professionals, with the strongest ethics and bringing transparency and excellence to supply chains.

Malcolm Harrison

Group CEO
Chartered Institute of
Procurement & Supply

HIRING FOR THE FUTURE

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

The events of the opening few months of 2020 have been unprecedented leaving many professionals and organisations to adapt to a new way of working and to rapidly changing situations. One thing the COVID-19 crisis has allowed procurement and supply chain teams to demonstrate is just how invaluable their role is in keeping vital services across the world afloat, including healthcare, social care and food supply chains to name just a few. As we enter into the new era of work, this importance will continue to develop.

In our 'new normal' world it's been shown that hiring and onboarding procurement professionals can continue in a virtual way, so with skills shortages still being widespread, those employers who are carrying on with their recruitment plans to fill skills gaps now will be in the best position as we transition

to the other side of the pandemic. In terms of the skills in demand, change management has entered the top ten list of skills needed for a professional to perform their job well for the first time this year. As has been made apparent in the first few months of 2020, change is inevitable, so being adaptable to change will likely become even more sought-after within procurement. Professionals should therefore develop in this area to succeed in the new world of work.

Working from home is one aspect of working life that has become decidedly more widespread as a result of the COVID-19. Our guide shows that being able to work from home is an important factor to professionals, so employers should use this opportunity to see how they can maintain remote working capabilities going forward.

Last year the majority of professionals received a salary increase, and average salaries saw a positive year-on-year rise. This is an indicator of the high value that continues to be placed on talented professionals, and we would expect this trend to continue in the next year as the procurement and supply professions continue to play an important role during the COVID-19 crisis and beyond. 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

With the negotiation of a post-Brexit trade settlement plus the impacts of the global Coronavirus pandemic, 2020 has already proved to be an eventful year. This has highlighted the risks that exist in supply chains and managing those risks has never been more important. Conversely the complexity of the task faced by procurement and supply management professionals has arguably never been greater. The Bank of England¹ Monetary Report provided the clearest guidance yet as to how the UK economy is likely to perform in the near term as we work through the economic challenges presented by the coronavirus pandemic and in the medium term to 2023 as we emerge back to a semblance of normality. The key takeaway for procurement professionals to feed into their own strategic planning are:

- In the first half of 2020 UK GDP will experience a 30% drop in GDP and annual GDP will shrink by 15% for the calendar year 2020.
- 2021 will see a 15% increase in GDP. Be careful interpreting this figure as it is 15% from the trough at the end of 2020. But nonetheless a significant bounce back.
- Growth will be normalised in 2022 at around 3%. All in all this would mean that the UK

economy would return to its December 2019 level of output by early 2023.

Perhaps more important for the development of a procurement strategy are the assumptions that underlie this analysis as they can be monitored, and expectations adjusted accordingly. When the assumptions are revealed to be under or over estimates of what actually turns out to be the case, specifically:

- There is no second wave and subsequent 'shutdown'.
- Very prudent assumptions have been made about consumer and business confidence. In the short term it is expected that household's precautionary savings will increase, especially if there is a significant rise in unemployment. A lack of business confidence will lead to organisations investment plans being postponed. Monitoring household and business confidence will be a key metric for procurement professionals.
- Government spending aimed at sustaining demand via employee furloughing or business support grants/loans will be key to sustaining demand and business viability. The key issue here is the appetite for government to increase debt in the

short term to sustain the economic viability of households and businesses in the medium term. There will be a key point maybe towards the end of the summer where government support is reduced and unemployment and business failure peaks. This will place strain on household and business confidence.

- In relation to trade the UK needs to see our major trading partners, namely the EU and US, recover quickly. There is also an explicit assumption in the Bank of England report (page 6 para 4) that 'The illustrative scenario is conditioned on the assumption that the UK moves to a comprehensive free trade agreement with the EU on 1 January 2021'.

As the procurement profession increasingly becomes central to the development of organisations' response to the pandemic, an understanding of the drivers of the economic environment will be key to anticipating and therefore reacting to movements in demand and customer preferences.

Dr. John Glen

CIPS Economist
Visiting Fellow of Cranfield University

¹ <https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2020/may/monetary-policy-report-may-2020>

ABOUT THIS REPORT

The CIPS/Hays Procurement Salary Guide and Insights 2020 allows procurement professionals and employers to:

- Evaluate the perceptions of procurement
- Benchmark salaries and bonuses for different roles
- Highlight career aspirations
- Gain insights on how to attract, retain and develop talent

This report is also available for the following regions:

MENA

Australia and New Zealand

South Africa

Sub-Saharan Africa

North America

THE REPORT IS DIVIDED INTO FOUR SECTIONS:

SECTION 1

Procurement – Perceptions, challenges, skills and opportunities

SECTION 2

Salaries, bonuses and benefits

SECTION 3

Talent management

SECTION 4

Interims

CONCLUSION

The data was collected prior to the COVID-19 outbreak, however, we hope the information contained in this guide still provides useful insights when hiring or taking the next step in your career during this extremely busy time for procurement professionals. We will continue to monitor the impact of COVID-19 in next year's 2021 report.

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, plus links to useful information and resources that further support the points discussed.

The findings in this report are based on research conducted in September 2019 via an online survey among professionals currently working in procurement. This year over 5135 professionals globally completed the survey. The results were analysed by the Professional Associations Research Network (PARN).

The data in all graphs is based on 2020 respondents only and is not a comparison on 2019 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.

COMPETENCY LEVEL



Advanced Professional



Professional



Managerial



Operational



Tactical

TYPICAL JOB ROLES

Head of Procurement, Procurement Director, Commercial Director, Chief Procurement Officer, Supply Chain Director, Head of Sourcing.

Procurement Manager, Purchasing Manager, Senior Category Manager, Supply Chain Manager, Strategic Procurement Manager, Operations Manager, Commercial Manager, Head of Logistics.

Senior Buyer, Category Manager, Contracts Manager, Contracts Officer, Logistics Manager, Supply Chain Executive.

Buyer, Procurement Specialist, Supply Chain Analyst, Procurement Executive, Procurement Officer, Supply Chain Planner, Logistics Analyst.

Purchasing Assistant, Assistant Buyer, Administrative Assistant, Stock Controller, Contracts Administrator, Inventory Planner, Assistant Contracts Officer.

PROCUREMENT – PERCEPTIONS, CHALLENGES, SKILLS AND OPPORTUNITIES



The procurement and supply chain profession has evolved at a rapid pace and is a more demanding and rewarding career than it has ever been.

section

Today's professionals are seen not as buyers, but as enablers, business partners and strategic leaders who understand business needs are core to the success of their organisation, and who are aligned with the social responsibility and ethics agenda.

The social, political and economic environment in which organisations are operating remains challenging, which has been compounded by the COVID-19 global pandemic. On top of this, the digital revolution is placing more complex demands on procurement and supply chain management. Business leaders are increasingly turning to procurement for solutions to reduce risks and find new opportunities. In fact, risk mitigation – whether security of supply, reputational risk caused by ethical and environmental issues, or ensuring the sustainability of sources of critical products and services – is fast becoming the prime focus of modern procurement.

At the heart of this are values, ethics and sustainability, and they should run through everything that procurement does. Procurement and supply chain professionals need to strategically position themselves as champions for change, promoting the highest standards of ethical practice for their organisations and supply chains. Modern slavery is a perfect example of where procurement professionals, by ensuring they are fully informed of exactly what is happening throughout their supply chains, can step in and not only make a difference to people's lives, but also help to safeguard the reputation and longevity of their organisations.

Procurement is growing ever-more important, valued, interesting and rewarding as a career. And so, it is perhaps no surprise that we are seeing an influx of new talent into the profession. In fact, half of our respondents – a much higher proportion than expected –

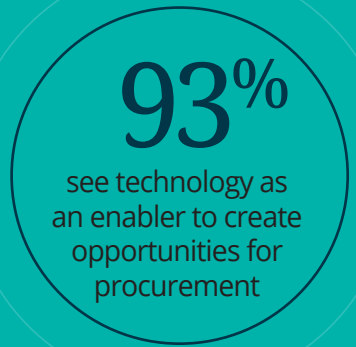
stated that they had made a conscious decision to work in procurement which is a different scenario from years gone by when professionals 'fell' into procurement. It is a particularly exciting career choice for young professionals who are attracted by the potential to hit the ground running from day one, the prospect of managing large budgets, and opportunities to choose and manage supplier contracts that can make a real difference to people's lives, and society and economies as a whole.

It has also become easier to move from other professions into procurement roles, as organisations continue to place a stronger emphasis on recruiting for soft skills. Technical skills and qualifications are an important foundation to procurement roles, but they can be learned and so abilities such as communication, influencing and leadership have become more highly sought after. As procurement and supply chain managers develop their skills, we are also seeing more individuals move into more generalist roles such as becoming CEOs.

In the fourth Industrial Age with its core focus on digital initiatives, we are starting to see more automation of procurement processes, which will continue to evolve: 57% of our respondents see technology replacing some or all of their tactical sourcing decisions in the future, up from 47% in 2019. This is not a negative as 93% of our respondents see technology as an enabler to create opportunities for procurement. Automation helps to reduce or even remove human error, and means that soft skills will become even more critical and that procurement professionals will be freed from repetitive, time-intensive tasks and be able to focus on more business-critical activities such as strategic decision making.

The picture our report paints of the value placed on strong procurement and supply

management is largely positive but there are still some challenges. Primarily, these centre on internal issues such as not being seen as a business partner or not being engaged from the start of a project. In reality, gaining competitive advantage through strategic sourcing, efficiencies and effective risk management are real value-adding activities, and so business leaders are increasingly looking for procurement professionals who are able to deliver these outcomes and ultimately enhance the overall business performance.



As the value of procurement continues to grow, it is up to professionals to ensure they are upskilling not only in technical skills, but also in soft skills such as communication, stakeholder management and strategic thinking. Professionals must be developing these skills no matter what their seniority in order to truly drive value within their organisation.

Scott Dance
Director, Hays Procurement & Supply Chain

HOW PROCUREMENT IS VIEWED



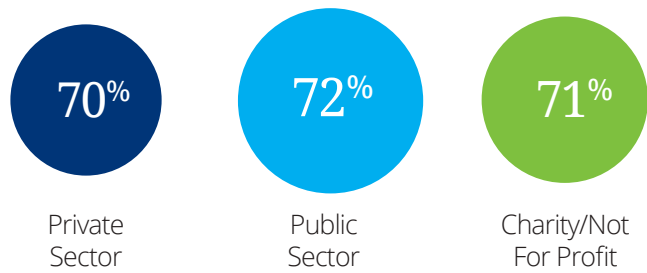
Procurement has evolved to a large extent over the last two decades to become more central to the success of organisations. Today's professionals have a wider remit, require broader skills and experiences, and are becoming ever-more sought after as business challenges increase in number and complexity. This has never been more true than during the COVID-19 outbreak, where procurement professionals have played a key role in helping to keep frontline services, from the NHS and social care through to supermarkets, supplied with the assets they need to support the country. There is no doubt that procurement and supply chain professionals are making a real difference for customers, colleagues, society and other stakeholders.

Although this year's perception of procurement and supply management is consistent with previous years and largely positive, where 70% of respondents agreed that the profession is valued within their organisation, we should not be complacent. There is still crucial work to do in terms of influencing key internal stakeholders and senior leaders if procurement is to become even more highly-regarded and a greater contributor to business success.

In 2020, the Public Sector stands out as having the highest proportion of procurement professionals that believe procurement teams are valued, that directors and heads of other departments understand what procurement specialists can offer and that procurement and supply chain managers are engaged from the start of a project.

Most notably, the Charity/Not For Profit Sector has the largest proportion of procurement professionals agreeing that staff in other departments understand what procurement specialists can offer them and that the perception of what procurement and supply chain management can achieve has improved in the last 12 months. This may be because charities, in particular, increasingly rely on procurement professionals to obtain the most value out of the limited funds they receive through, for example, innovative thinking and an entrepreneurial approach to supplier selection and not just cost efficiencies.

% OF PROFESSIONALS THAT AGREE PROCUREMENT IS VALUED WITHIN THEIR ORGANISATION



It is encouraging to see, year-on-year, that most respondents continue to agree that the procurement profession is valued within their organisation. However, there is still work that can be done to further improve the understanding of other staff, including senior stakeholders, about the value that procurement specialists can offer. Developing strong internal stakeholder management and communication skills is essential. Focus on understanding the pressure points of each of your internal stakeholders and use this knowledge to communicate how procurement can help to alleviate these challenges.

Scott Dance
Director, Hays Procurement & Supply Chain



CIPS Tips

[Guide: How to become an effective storyteller](#)

Click on the links throughout the report

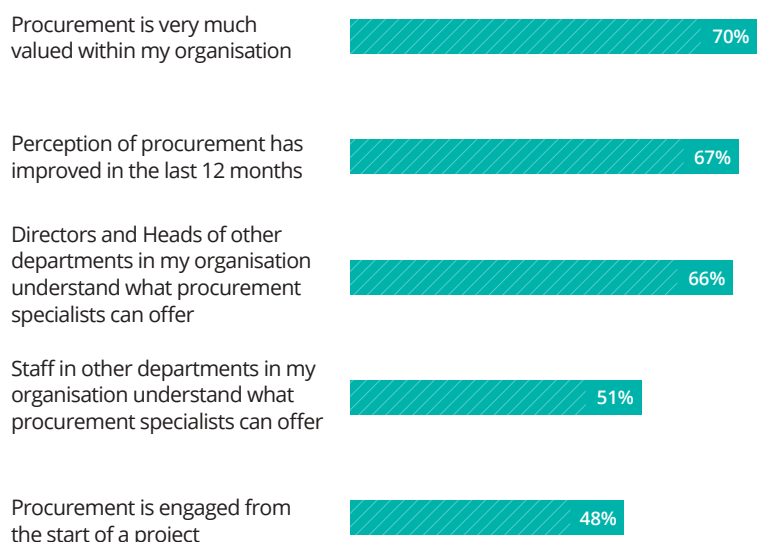


[Guidance: Soft Skills](#)



[Guidance: Stakeholder Management](#)

HOW PROCUREMENT IS VIEWED



KEY CHALLENGES BY SECTOR



Excluding the impacts of COVID-19 on organisations, our findings show that, once again, internal challenges dominate, reinforcing the importance of securing strategic and operational buy-in and engagement with stakeholders as a priority for professionals. Procurement must be championed as a strategic enabler at the very highest levels of an organisation and be fully appraised of strategic objectives to deliver against the senior leadership's expectations, demonstrating real value.

In organisations where procurement is seen as a strategic function, the profession is likely to be engaged at the earliest stages of identifying business goals, such as supply chain sustainability, cost savings and digitalisation. Many organisations are coming to realise that to play a part in achieving these corporate goals, procurement must be involved at the beginning.

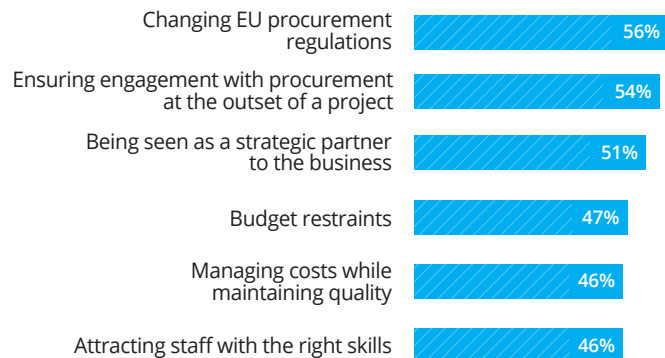
Managing risk in the supply chain is also identified as a key challenge across the sectors and is even more important to master in the challenging environment brought about by the COVID-19 outbreak. Risk mitigation - whether it is to achieve security of supply, prevent reputational risk caused by ethical and environmental issues, or ensure the sustainability of sources of critical products and services - should be the prime focus for procurement and supply; and increasingly we see business leaders turning to procurement for the answers. Every procurement professional must ensure that they are fully informed of exactly what is happening throughout their supply chains in order to minimise operational and reputational risk, and keep up to date with developments. Furthermore, procurement professionals need to strategically position themselves as champions and leaders for change, promoting the highest standards of ethical practice for their organisations and supply chains rather than playing catch up as change occurs.

TOP SIX CHALLENGES BY SECTOR

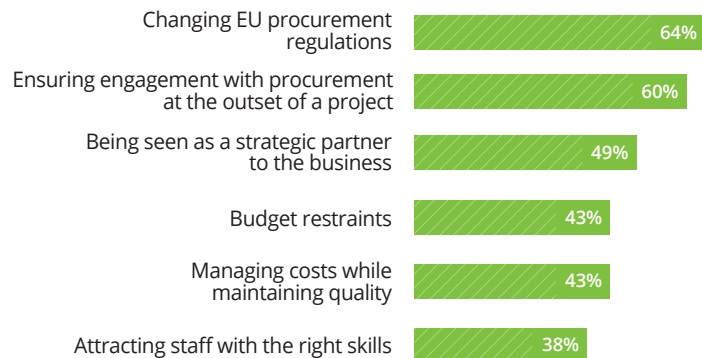
PRIVATE SECTOR



PUBLIC SECTOR



CHARITY/NOT FOR PROFIT SECTOR



CIPS Tips

[Webinar: How can AI support risk management?](#)



[Guidance: CIPS Risk Toolkit](#)



[Podcast: Procurement must enhance their soft skills to increase their influence](#)



[Podcast: Procurement must lead instead of being led](#)



[Guide: Being an Effective Change Agent Guide](#)

KEY SKILLS BY SECTOR



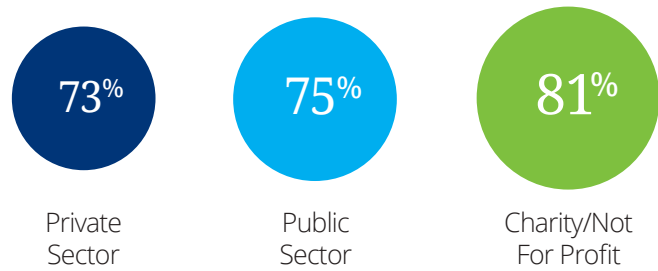
The perception of procurement is changing across all sectors as it continues to be viewed as a more strategic activity and a critical part in achieving organisational objectives. As we have highlighted earlier in this report, this means the demands on today's procurement professionals are more complex and have increased in number. This brings both opportunities and challenges for procurement and supply chain managers if they are plugged into the latest thinking, and while technical skills are well understood, the skills for today's successful procurement professionals have much in common with those of a business leader.

Consequently, we have seen a year-on-year increase in the importance of soft skills, which continue to dominate the top five in our list of skills in demand and are seen as very important by procurement professionals for doing their jobs well.

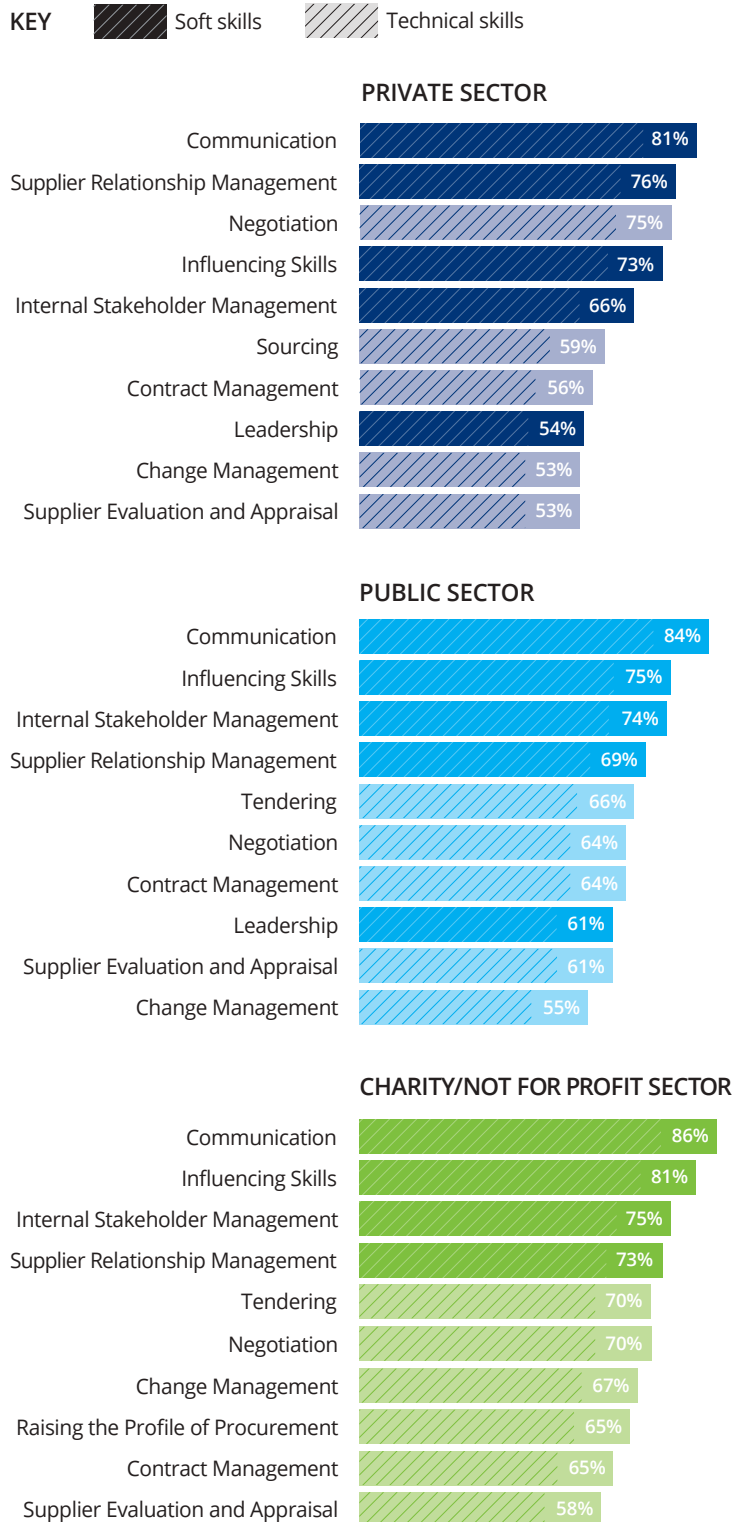
In the current climate of uncertainty, skills such as communication, influencing, internal stakeholder management and supplier relationship management are all critical to achieving cost-effective and strategically sound procurement solutions. Trained professionals know this includes creating a business case, securing buy-in from internal stakeholders, pre-empting challenges and sourcing the right suppliers.

Of course, technical skills are still valued and this year we see change management in the top ten skills for the first time. Traditionally, dealing with change was tasked to a tactical function but more and more organisations appreciate the limitations of this approach which may stem from lack of skill and experience, lack of time to implement change or not enough information available for the programme. Business leaders therefore see change management as a distinct and strategic skill which requires departmental and senior level buy-in, the right support and the right systems in place. However, as well as requiring technical knowledge, effective change managers must also possess all the soft skills listed here and so this cannot be seen as standalone expertise.

IMPORTANCE OF INFLUENCING SKILLS BY SECTOR



KEY SKILLS CONSIDERED IMPORTANT BY SECTOR



IMPORTANCE OF KEY SKILLS BY JOB LEVEL




At every job level, the emphasis continues to be on the importance of soft skills. Technical skills and procurement qualifications remain crucial elements for procurement professionals to perform well and demonstrate credibility at a basic level. But the real key to delivering strategically is through the development and use of the right soft skills.


This year, internal stakeholder management was identified in the list of top five skills in demand at all but Operational and Managerial levels, emphasising the need to raise the profile of procurement relationship management. Influencing skills were also of increasing importance across different levels of seniority. At Tactical and Operational levels, this includes the ability to influence colleagues and suppliers, while at senior levels it is likely to include influencing upwards, pitching effectively to the C-Suite and raising the authority of procurement as a profession.


In summary, all procurement professionals should continue to enhance their soft skills in pace with, and beyond, technical training and qualifications. Whatever an individual's level of seniority, continuing professional development and networking will be crucial to enable the best possible performance and career progression at a time when procurement is recognised to be more critical to organisations in every sector.

 **CIPS Tips**
[Webinar: Influencing the C-Suite](#)



 [Top 10 tips for influencing internal stakeholders](#)

 [Tool: CIPS Global Standard](#)

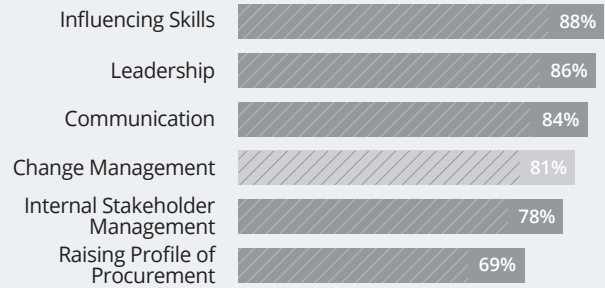
 [Podcast: Procurement must enhance their soft skills to increase their influence](#)

 [Podcast: Procurement must lead instead of being led](#)

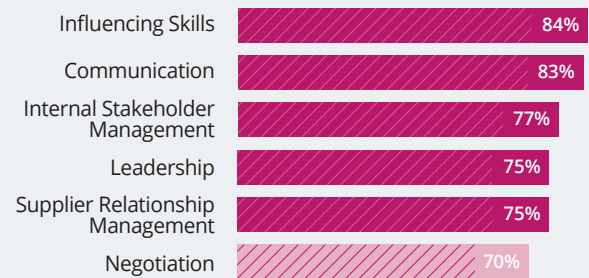
TOP SIX MOST IMPORTANT SKILLS BY JOB LEVEL

KEY  Soft skills  Technical skills

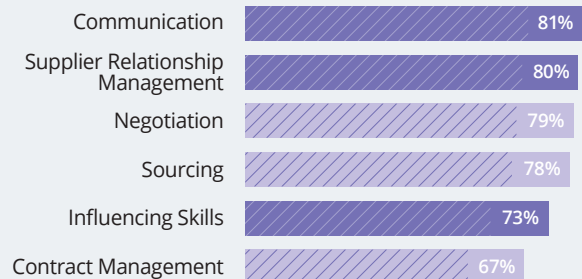
ADVANCED PROFESSIONAL



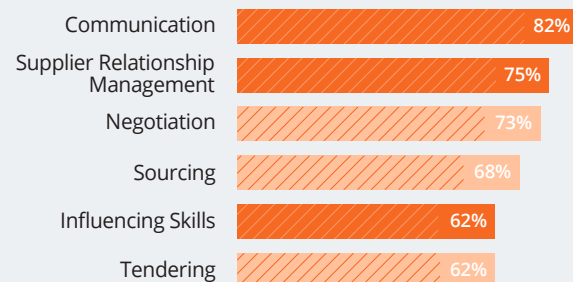
PROFESSIONAL



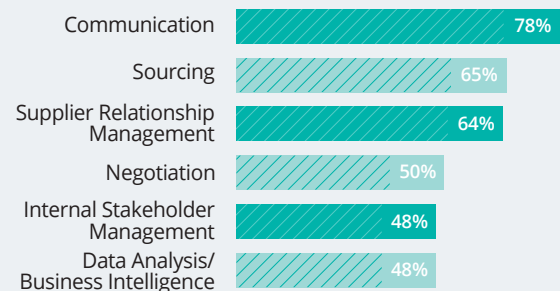
OPERATIONAL



MANAGERIAL



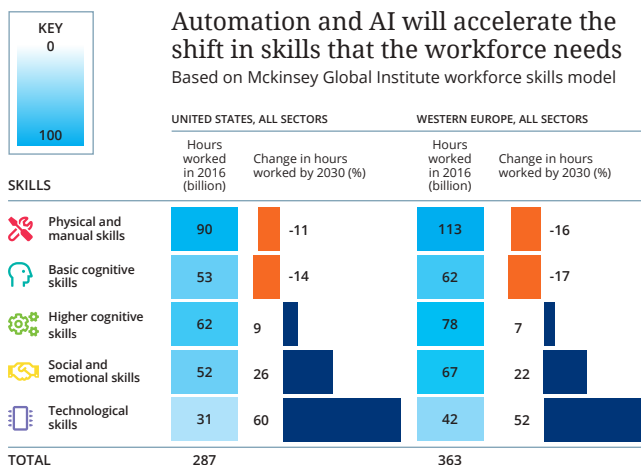
TACTICAL



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', skills¹ 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)², 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

¹ WEF, Leadership in the fourth industrial revolution 2018

² McKinsey Global Institute workforce skills model: McKinsey Global Institute Analysis

³ 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 professional³. 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 Business³.

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 years¹. 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!"

David L. Loseby MCIQB Chartered, FAPM, MIoD, FCMI, FCIPS Chartered, FRSA

SALARIES, BONUSES AND BENEFITS

2

section

Since we embarked on this report six years ago, average procurement salaries have consistently performed well when compared with the national average.

The same is true again this year with the average pay rise identified as 4.9% compared to a national average of 3.4%, and 73% of our respondents stating that they had received a pay rise in the last 12 months.

This highlights the increasing regard and value placed on procurement professionals and why demand for talent remains high in the wake of challenging business environments. Clearly, it is important for businesses to ensure that they have the right people in place if they are to rely on procurement to achieve business goals and support the organisation, including delivering during times of peak demand such as during the COVID-19 pandemic, managing the impact of potential trade wars, innovation, digitalisation of supply chain, sustainability and ethical sourcing, as well as driving value. In turn, this makes procurement a more attractive proposition for talented and ambitious individuals looking to invest in careers with real potential and significant rewards.

These talented individuals are also more selective about where they want to work; with a wealth of online information about employers at their fingertips, they will do their research and compare organisations on many levels, from brand reputation and ethical practices to salary and benefits. If procurement provides the skills to support business goals, then organisations must provide the right environment for talent to thrive.

With this in mind, our survey this year delved deeper into the area of employment packages as we sought to identify any differences between the benefits employers were offering and the benefits employees valued most highly. We did indeed find a marked disparity and employers in particular will find this section useful as they seek to offer the most attractive benefits in order to attract and retain the most talented professionals at each stage of their career journeys.

It is also important to point out the continuing higher earning power of MCIPS and FCIPS professionals compared to their non-MCIPS and FCIPS colleagues. With 64% of employers saying they request MCIPS (or those studying towards it), this internationally acknowledged professional recognition of skill and competency provides reassurance and demonstrates candidates' commitment to their professional proficiency. MCIPS and FCIPS professionals have shown dedication to their career with ongoing learning and operating with integrity through ethical practice, which is reflected in their remuneration.



CIPS Tips

[Tool: Interactive UK salary map by region, level and gender](#)

Standing out from competing organisations when hiring procurement professionals is all the more important for employers given widespread skills shortages. The information in this section can therefore be used to benchmark your existing salaries and to tailor your benefit offering according to what employees at different levels of seniority look for in a new role.

Scott Dance
Director, Hays Procurement & Supply Chain

SALARY BY SENIORITY



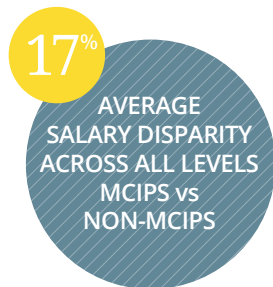
The average salary for procurement professionals continues to increase; £48,415 in 2020, an increase of 7.2% since 2019. The average salary increase for procurement professionals this year is 4.9% compared to the national average of 3.4%. Again, this paints a very positive picture for procurement as a profession that is highly regarded and remunerated.

73% of respondents received a salary increase, with Senior Category Managers in particular enjoying the highest increase. This may be due to a focus on specialisation of procurement; as larger organisations seek to break down their categories they have a need to recruit based on experience and expertise, for example, in IT, finance or emerging technology, and then to train these professionals in procurement.

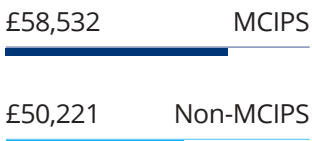
Moreover, the average salary for procurement compares extremely favourably with other professions. For example, at £48,415 it is higher than the average for both HR (£46,996) and Marketing (£41,269)*.



*Taken from the Hays UK Salary & Recruiting Trends 2020 Guide
**ONS Statistics



Globally recognised, MCIPS demonstrates professional relevance and credibility - and increases demand from employers.



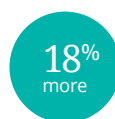
This year the positive difference in the earning power of MCIPS when compared to non-MCIPS colleagues remains marked. This is particularly evident at Operational and Tactical levels, emphasising the importance of studying towards and showing commitment to qualify for MCIPS early on in your career. But the advantages of this professional recognition are not limited to MCIPS and can be seen to continue with seniority, with our FCIPS members also enjoying noticeably higher salaries.

It is clear that employers place a high value on MCIPS as a mark of professionalism, capability and integrity. MCIPS members demonstrate real dedication to their careers in procurement through achieving, CIPS professional qualifications. Chartered status is the culmination of the professional journey, and shows clear commitment to ethical practice and lifelong learning. There is no charge for eligible MCIPS to upgrade to Chartered status.

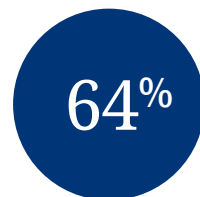
THE HIGHER EARNING POWER OF MCIPS MEMBERS



average salary
disparity
Operational level

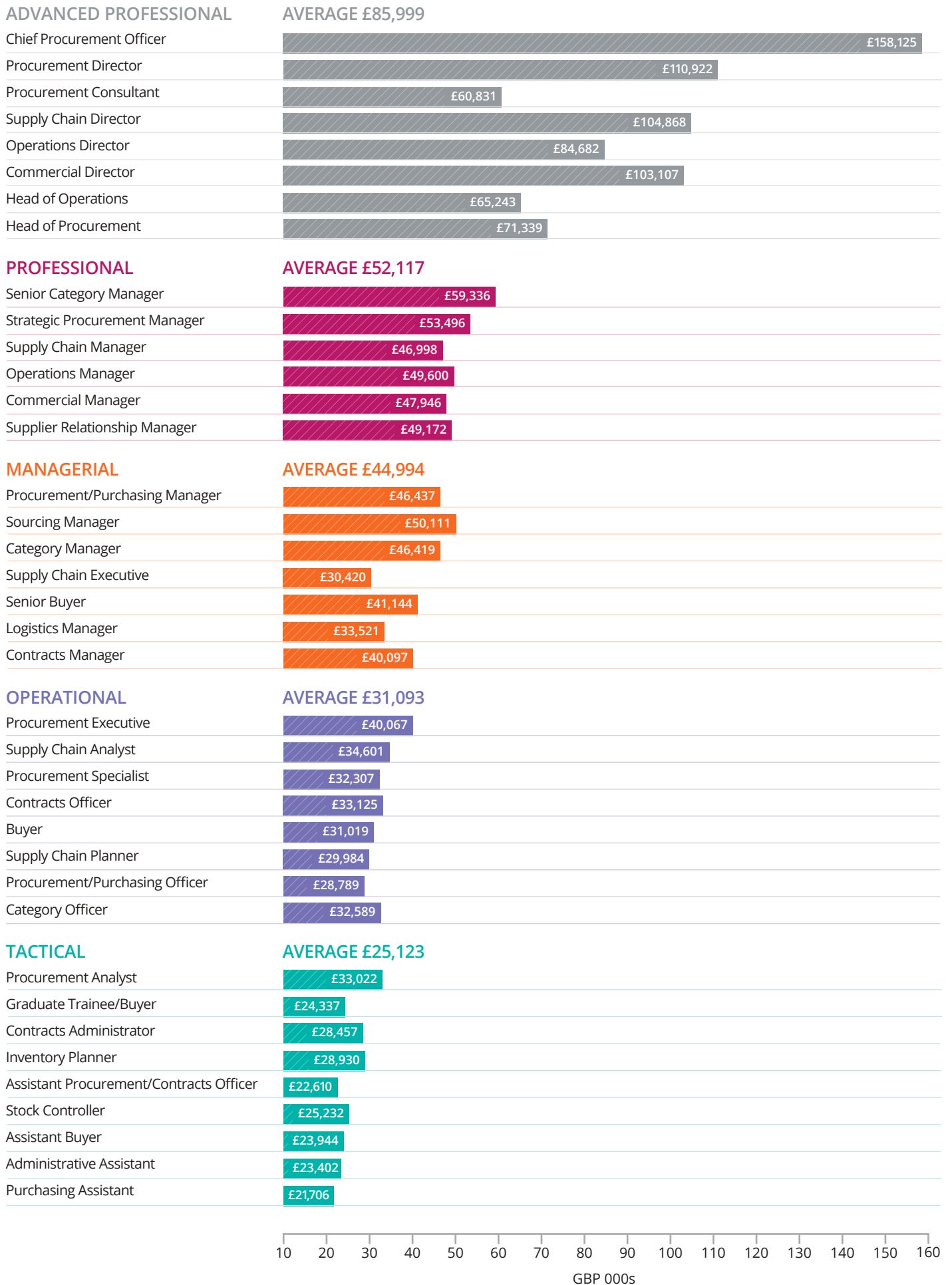


average salary
disparity
Tactical level



employers will request MCIPS
(or studying towards) as a
preference when recruiting

UK AVERAGE SALARY BY JOB TITLE



SALARIES BY REGION

£63.7k

AVERAGE SALARY LONDON

across all sectors

This year, average salaries have increased since 2019 across all regions apart from the North East. Our report identifies London as the region with the highest salaries but this must be balanced against higher commute and housing costs which can make other regions in the country equally competitive.

Our survey found that the vast majority (86%) of procurement professionals are only prepared to travel locally, with a daily commute taking no more than two hours and costing no more than £100 per week. With 54% stating a preference to pay no more than £50 per week, employers must offer significant benefits, including flexible working, to make longer commutes a viable prospect.

We continue to see competition for talent between the regions and in 2020 this has led to the most significant increase in salaries in Scotland (overtaking the Northern Powerhouse) as the country seeks to invest more and more in the financial services sector. In fact, at the Advanced Professional level, Scotland was the highest paying region (£101,052) and was also among the top three highest paying regions at the Managerial, Operational and Tactical levels, together with London and South East.

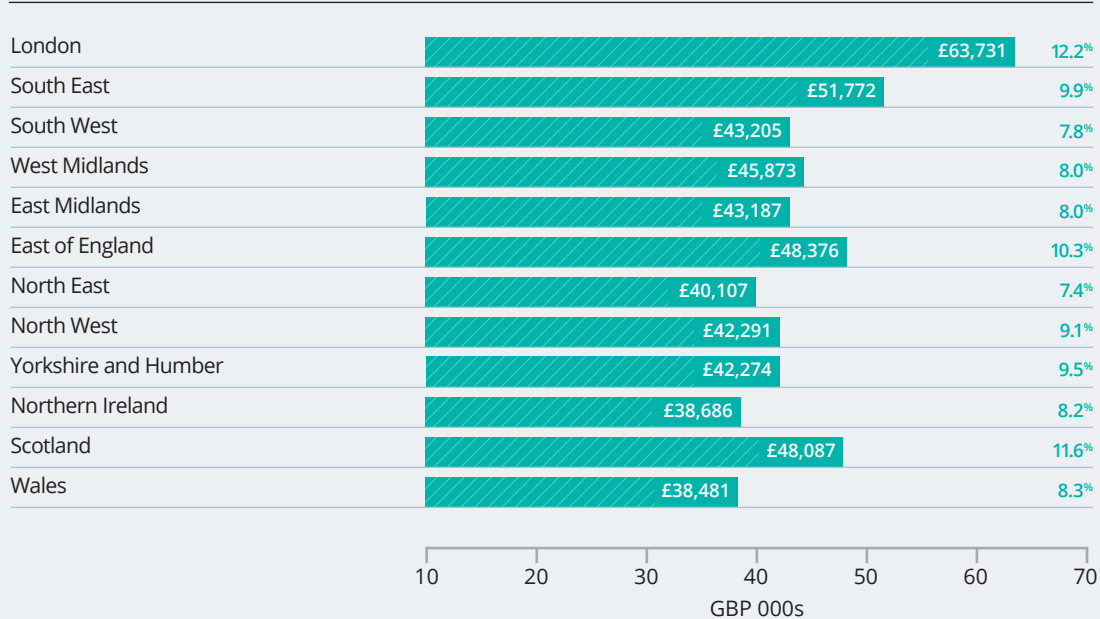


CIPS Tips

Tool: [Interactive UK salary map by region, level and gender](#)

UK AVERAGE SALARY BY REGION

Average bonus as % of salary

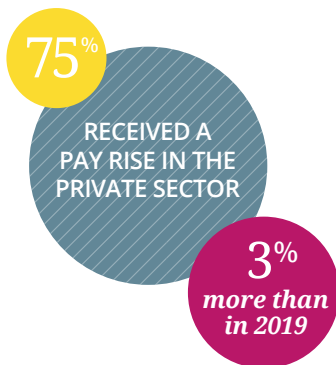


% OF UK RESPONDENTS RECEIVING A SALARY INCREASE

UK average % increase




SALARIES BY SECTOR

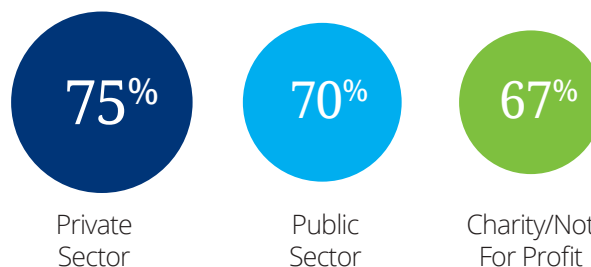


In the last couple of years we have seen employers within the Public Sector offering more competitive remuneration, to the extent that last year procurement salaries were higher than in the Private Sector. This year, the Private Sector has actively sought to compete and once again sees the highest average salaries and the largest percentage of professionals receiving a pay rise. Such healthy competition between the sectors can only be positive for procurement professionals who continue to see the value placed on the profession grow, and enjoy increased financial benefits.

Although salary will always be an important aspect for employers to get right to attract professionals to a role, it should not be viewed in isolation. Not every organisation will be able to compete for talent through pay, and therefore the entire package on offer to professionals, from benefits and flexible working options through to the variety of the role, must also be considered and promoted to prospective job candidates.

 **CIPS Tips**
[Report: Discover what workers want both now and in the future in the Hays What Workers Want series](#)

% OF PROFESSIONALS RECEIVING A PAY RISE

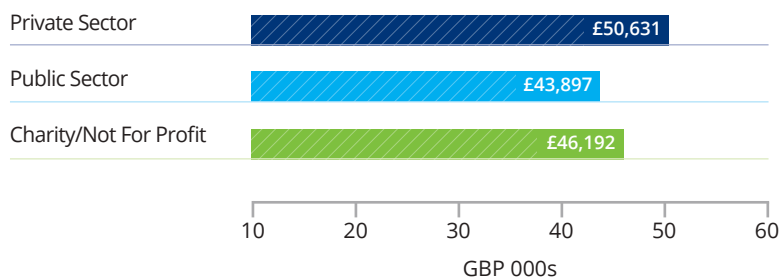


As organisations face ongoing market challenges including global trade wars, political instability, legislative changes and, more recently, the global pandemic, competition between the sectors will remain high for talented professionals. Our survey shows that salaries continue to grow across all three sectors and, in a candidate-led market, professionals are in a much better position to negotiate their salary when looking for a new role.

It is therefore important for employers to benchmark their salaries to ensure they are as competitive as possible to attract talent. Further to this is the consideration of what else your organisation can offer to a prospective employee. For example, can your employees work from home? Are you able to offer support for training such as through CIPS? Is the job very varied? Promoting this information to prospective candidates alongside salary can help your organisation to stand out from the competition, whichever sector you operate in.

Scott Dance
 Director, Hays Procurement & Supply Chain

UK AVERAGE SALARY BY SECTOR



SALARIES – PRIVATE SECTOR BREAKDOWN



As we have identified previously, the Private Sector has overtaken the Public Sector in terms of salaries. These are quite significantly higher within Professional and Business Services, at £75,744 on average, but this is due to a focus on recruiting more senior level professionals who would naturally command higher salaries.

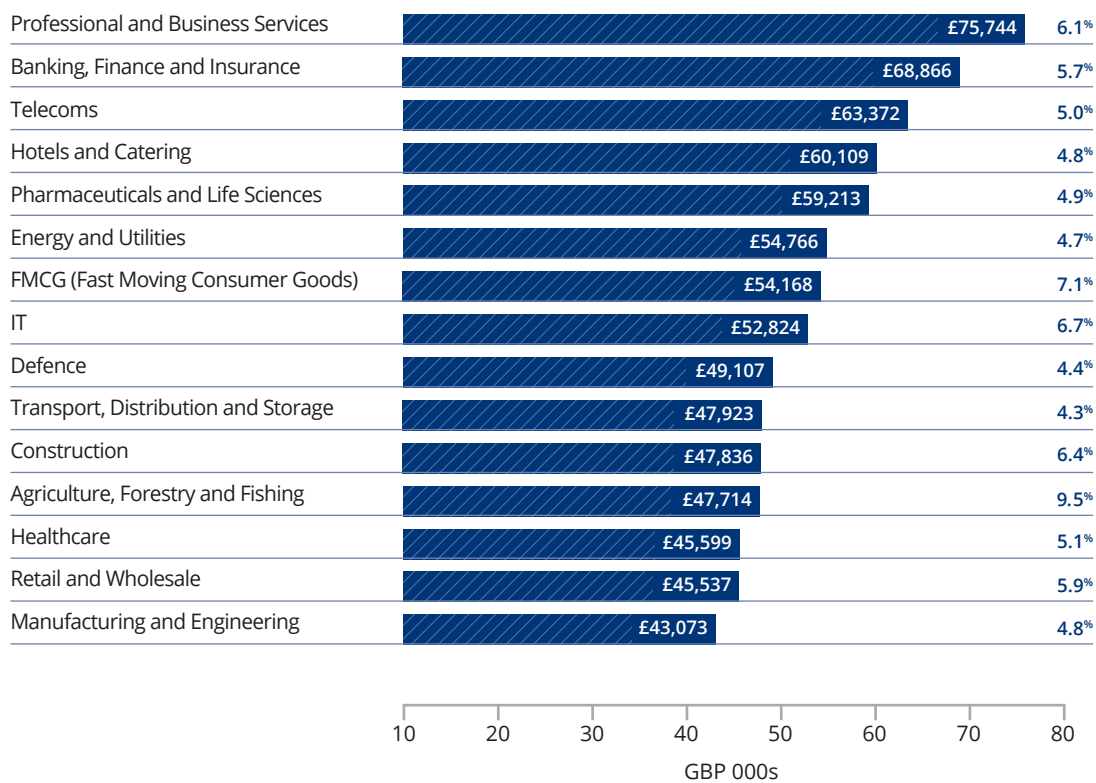
The next highest salaries were seen in the Banking, Finance and Insurance and Telecoms industries, where average salaries were £68,866 and £63,372 respectively. The FMCG,

Telecoms and IT industries have seen the biggest improvement in average salaries since 2019.

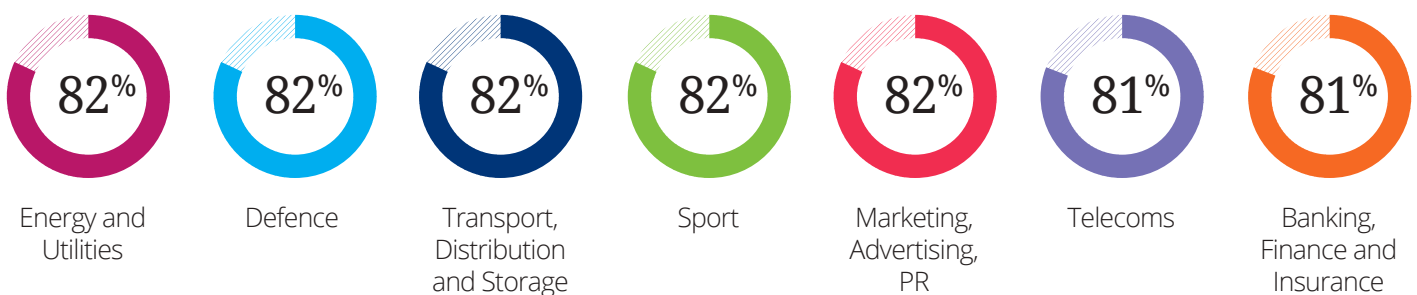
In nearly half of the industries we report on, over 80% of professionals received a pay rise in the last year. The Healthcare industry, as well as seeing the biggest decrease in average salaries since 2019, has also seen a substantial drop in the number of procurement professionals receiving a pay rise; from 86% in 2019 to 67% in 2020.

UK AVERAGE PRIVATE SECTOR PROCUREMENT SALARIES

UK average pay increases as % of salary



PROPORTION OF PRIVATE SECTOR PROFESSIONALS RECEIVING A SALARY INCREASE



SALARIES – PUBLIC SECTOR BREAKDOWN

4.3%

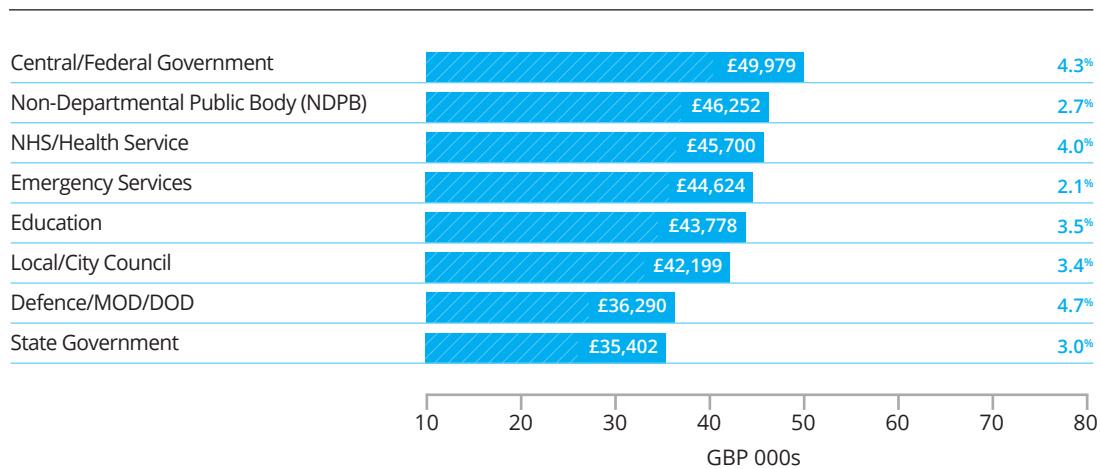
AVERAGE PROCUREMENT PAY RISES FOR CENTRAL/FEDERAL GOVERNMENT

In the Public Sector, all industries have seen an improvement in average salaries since 2019, with the highest paid in Central/Federal Government. This industry has invested heavily into talent recruitment in recent years to attract senior procurement professionals from the Private Sector by offering competitive remuneration and attractive projects that create social value. The most pronounced salary increases have been in the Education industry, where average salaries improved by 11.3%.

The largest proportion of procurement professionals receiving a pay rise in the last 12 months was in the NDPB industry, at 75%. The Emergency Services, NHS/Health Service, Education and Local/City Council industries followed, with 72-74% of professionals receiving a pay rise. The Local/City Council industry has seen the highest increase (from 66% in 2019 to 72% in 2020), while the NHS/Health Service industry has seen the biggest decline (from 89% in 2019 to 73% in 2020).

UK AVERAGE PUBLIC SECTOR PROCUREMENT SALARIES

UK average pay increases as % of salary



SALARIES – CHARITY/NOT FOR PROFIT SECTOR BREAKDOWN

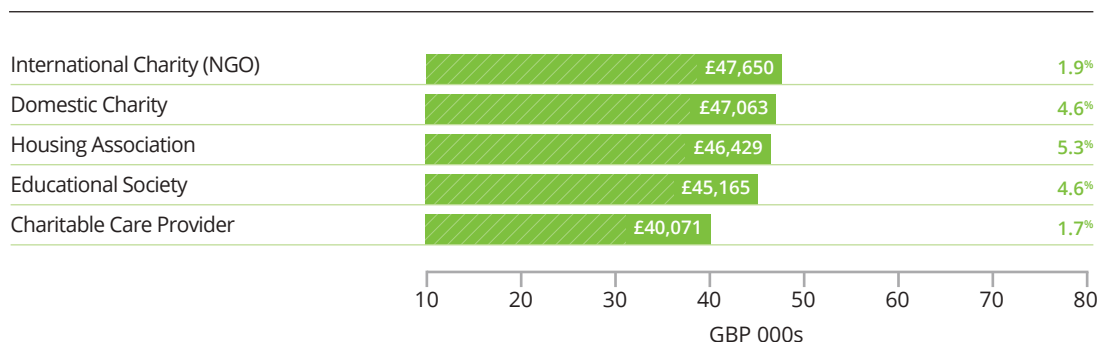
5.3%

AVERAGE PROCUREMENT PAY RISES FOR HOUSING ASSOCIATION

The highest salaries in this sector were seen in International and Domestic Charities, while the Housing Association industry saw the largest average pay rises. The highest proportion of professionals to receive a pay rise, at 82%, was seen in the Educational Society industry.

UK AVERAGE CHARITY/NOT FOR PROFIT SECTOR PROCUREMENT SALARIES

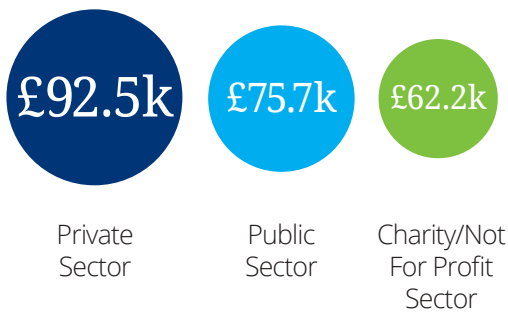
UK average pay increases as % of salary



SALARIES BY SECTOR AND SENIORITY



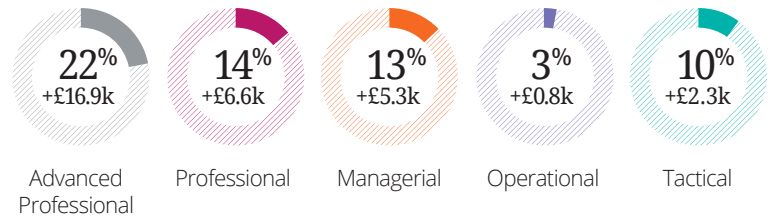
AVERAGE SALARIES AT ADVANCED PROFESSIONAL LEVEL BY SECTOR



This year the Private Sector has strived to compete to retain and attract procurement talent by offering higher salaries and pay rises compared with the Public Sector, particularly at the very senior and entry levels.

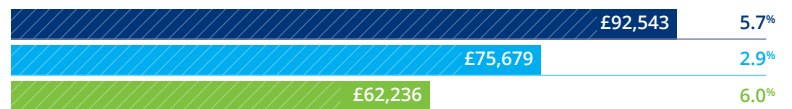
Our 2020 report identifies a considerable widening of the pay gap between the Private and Public Sectors at Advanced Professional and Tactical levels: from 10% in 2019 to 22% in 2020 and from -2% in 2019 to 10% in 2020 respectively. However, as we highlight elsewhere in this report, employees are not solely concerned with monetary considerations and organisations must look to their total packages and benefits they offer if they are to attract and retain talent.

SALARY DISPARITY BETWEEN PRIVATE SECTOR AND PUBLIC SECTOR



AVERAGE SECTOR SALARIES BY LEVEL UK average pay increases as % of salary

ADVANCED PROFESSIONAL



PROFESSIONAL



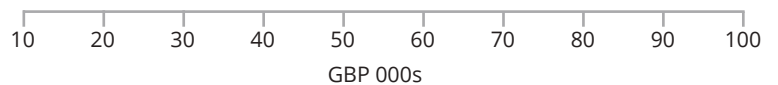
MANAGERIAL



OPERATIONAL



TACTICAL



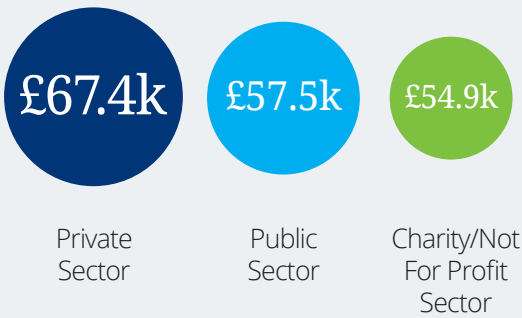
Salary will always be an important deciding factor for professionals when choosing a new job. However, professionals will also be on the lookout for other benefits on offer, which will vary for different levels of seniority. For example, Tactical level professionals will likely want to work for an organisation that will support their training and development while more senior professionals may seek greater flexible working. Tailor your job adverts accordingly to help encourage applications to your organisation.

Scott Dance
Director, Hays Procurement & Supply Chain

SALARIES BY SECTOR AND REGION



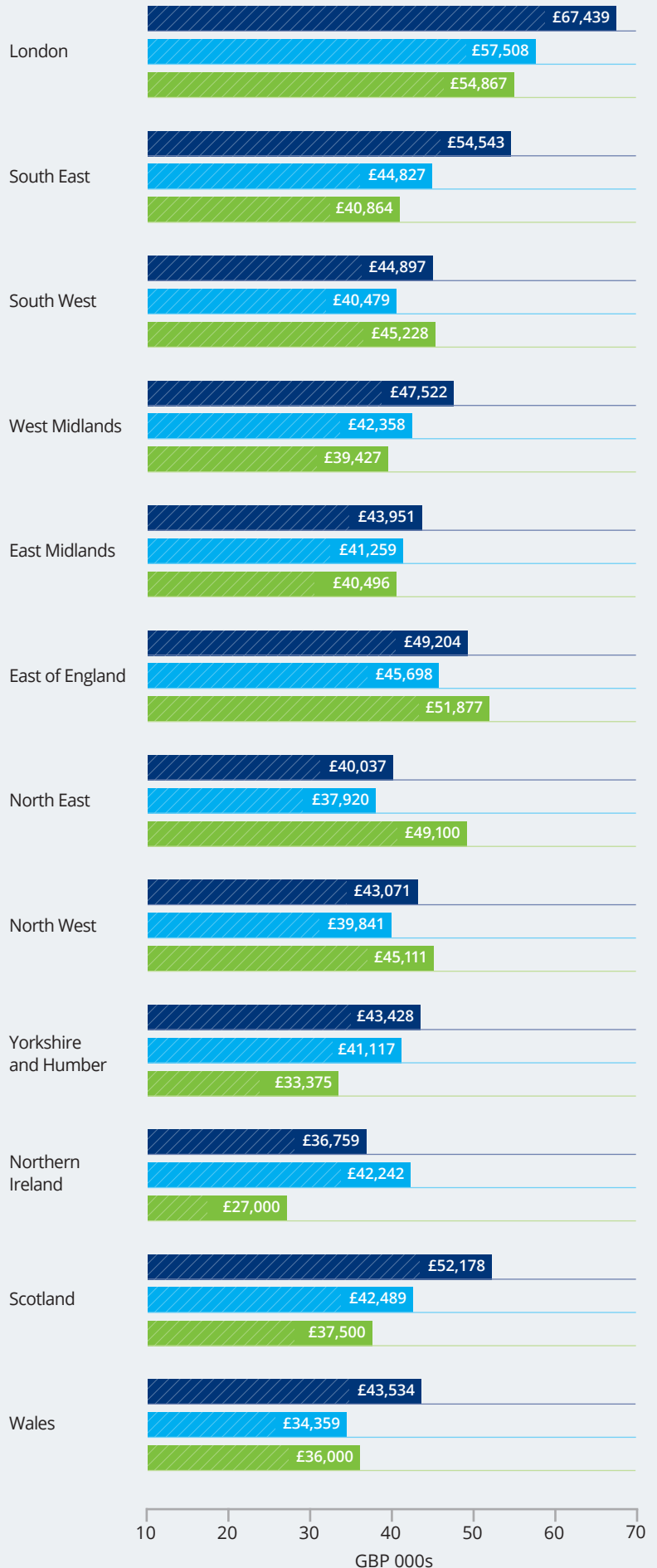
AVERAGE SALARIES IN LONDON



The main trend to highlight in terms of sector salaries by region is the widening disparity between the Public and Private Sectors in London, which has increased significantly from 5% to 17% as private companies seek to re-attract talent they may have lost to the Public Sector.

However, as we have seen, talented individuals are not solely motivated by financial remuneration and employers in all regions and sectors must focus on their total packages in order to offer what professionals are really looking for in terms of career support and progression, and non-monetary benefits. A key focus, in London and other areas of the country where transport infrastructure is a challenge, must be on travel times and expenses, which can have a negative effect on work-life balance and earnings. Organisations that fail to consider this and offer flexible working will struggle to retain talent.

AVERAGE SECTOR SALARIES BY REGION



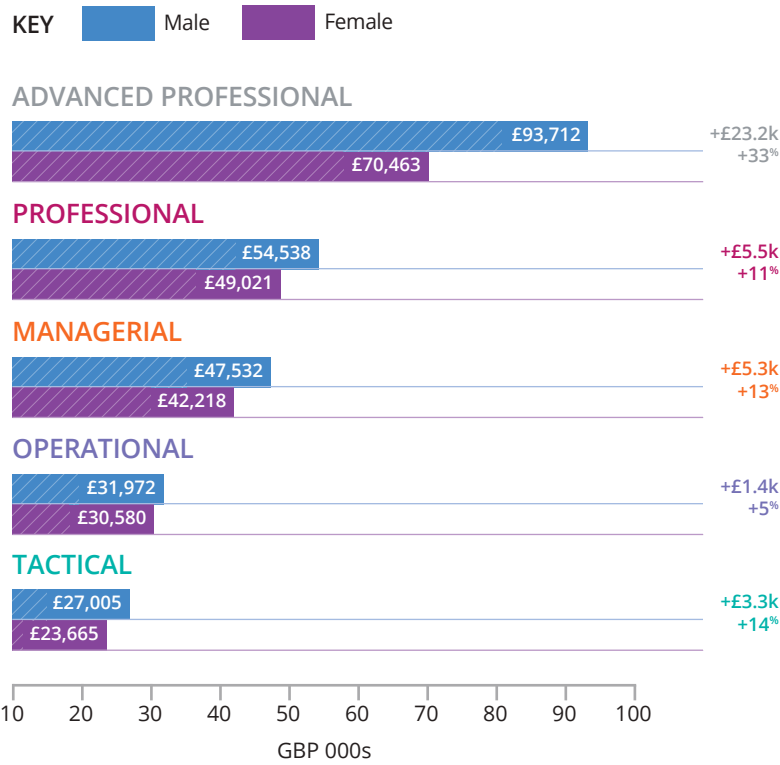
SALARIES BY GENDER



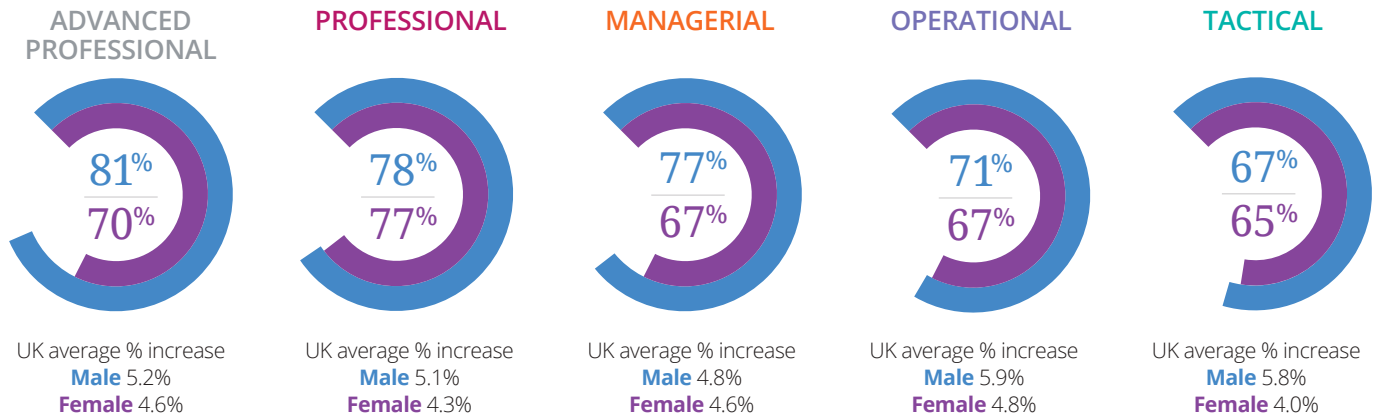
While the impact of gender pay gap reporting is not yet easily discernible, we continue to monitor the situation and hope to see it closing at all levels of seniority. This year, we have seen a small narrowing of the pay gap at Advanced Professional level, by 2%. But it is clear that organisations have much work to do in order to face up to and proactively address this issue: for men and women alike, salary is the most important issue when considering moving to a new employer and so, in order to retain talented women in the profession, gender pay equality must be addressed.

- CIPS Tips**
- [Insight: What people are doing to address diversity and inclusion](#)
 - [Report: Get your copy of the Hays Diversity & Inclusion 2019 Report to discover how to positively impact diversity in your workforce.](#)

UK AVERAGE SALARY BY GENDER AND LEVEL OF SENIORITY Male v Female average salary difference



UK RESPONDENTS RECEIVING A SALARY INCREASE BY GENDER AND LEVEL OF SENIORITY



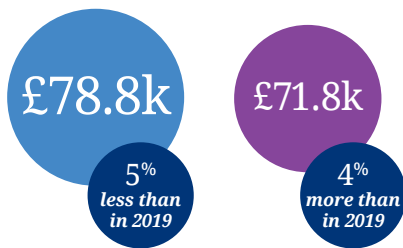
SALARIES BY GENDER AND SECTOR

UK AVERAGE SALARY BY SECTOR, GENDER AND LEVEL OF SENIORITY

Male v Female average salary difference



AVERAGE SALARY PUBLIC SECTOR ADVANCED PROFESSIONAL LEVEL

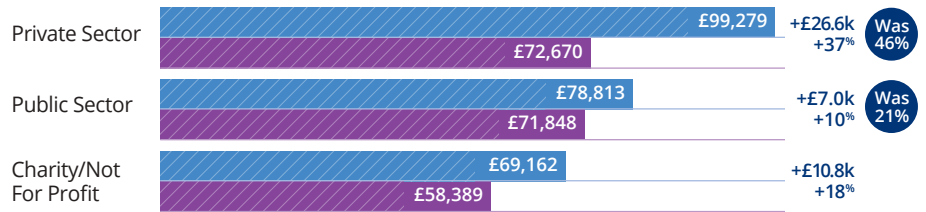


The gender pay disparity continues across all sectors this year. The pay gap was most pronounced in 2019 at Advanced Professional level across both the Private and Public Sectors. However, we have seen a narrowing at this widest point in 2020, by 9% in the Private Sector and 11% in the Public Sector at this level.

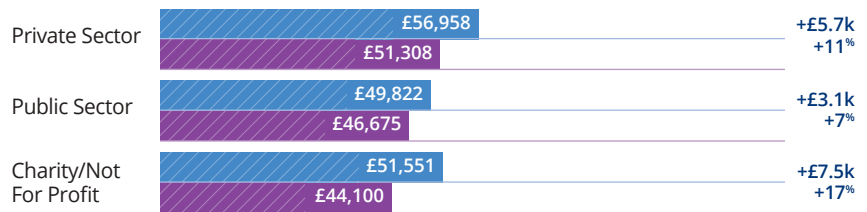
A key concern also highlighted is a lack of transparency around pay grade structure which still persists in organisations. In fact, only 43% of our survey respondents felt that their organisation had a transparent pay grade structure in place.

KEY ■ Male ■ Female

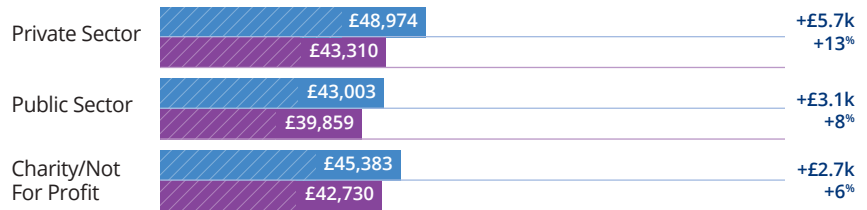
ADVANCED PROFESSIONAL



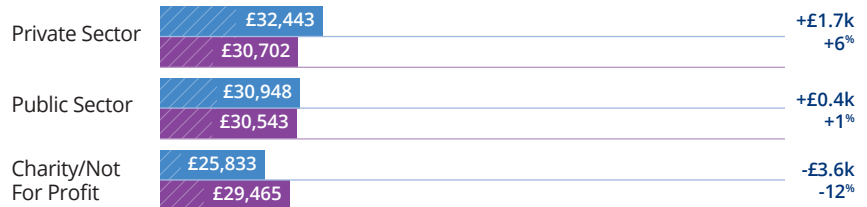
PROFESSIONAL



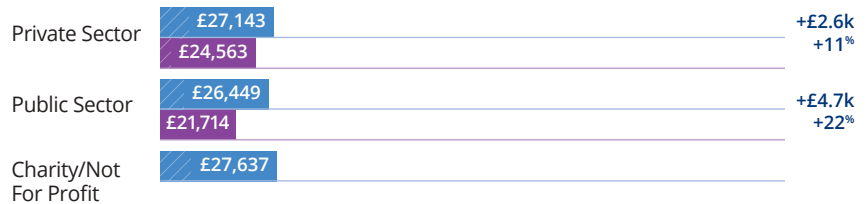
MANAGERIAL



OPERATIONAL



TACTICAL



10 20 30 40 50 60 70 80 90 100
GBP 000s

CIPS Tips
Tool: Interactive UK salary map by region, level and gender

BONUSES BY SENIORITY



Just over half of our survey respondents (54%) were eligible to receive a bonus with most of them (43%, up from 38% in 2019) receiving a bonus in the last 12 months. As expected, eligibility to receive a bonus increases with seniority as does the size of the bonus.

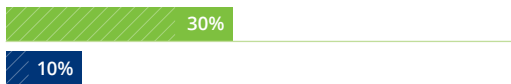
HOW IS YOUR BONUS DEFINED?
WHAT WOULD YOU PREFER YOUR BONUS TO BE BASED ON?

KEY ■ Defined ■ Preferred

Achieving your personal targets



Company achieving targets



Mixed



Team achieving targets



BREAKDOWN OF BONUSES RECEIVED BY JOB TITLE Average bonus as % of salary

ADVANCED PROFESSIONAL

AVERAGE 6.2%

Chief Procurement Officer	67%	35.6%
Procurement Director	72%	19.1%
Procurement Consultant	47%	10.7%
Supply Chain Director	84%	18.7%
Operations Director	50%	8.8%
Commercial Director	57%	12.1%
Head of Operations	44%	16.0%
Head of Procurement	53%	13.6%

PROFESSIONAL

AVERAGE 8.7%

Senior Category Manager	53%	11.6%
Strategic Procurement Manager	37%	8.1%
Supply Chain Manager	52%	8.4%
Operations Manager	29%	5.9%
Commercial Manager	44%	5.8%
Supplier Relationship Manager	64%	9.7%

MANAGERIAL

AVERAGE 8.1%

Procurement/Purchasing Manager	43%	8.7%
Sourcing Manager	65%	7.9%
Category Manager	43%	9.0%
Supply Chain Executive	50%	4.7%
Senior Buyer	43%	6.9%
Contracts Manager	26%	5.1%

OPERATIONAL

AVERAGE 6.3%

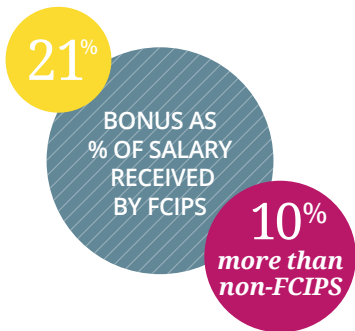
Procurement Executive	42%	11.6%
Supply Chain Analyst	33%	6.8%
Procurement Specialist	37%	5.2%
Contracts Officer	23%	5.6%
Buyer	42%	6.0%
Supply Chain Planner	62%	8.1%
Procurement/Purchasing Officer	12%	4.4%
Category Officer	19%	13.9%

TACTICAL

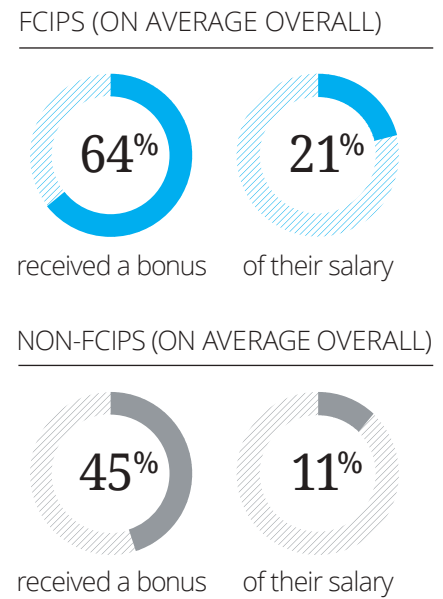
AVERAGE 5.9%

Procurement Analyst	47%	7.1%
Graduate Trainee/Buyer	42%	7.0%
Contracts Administrator	83%	3.5%
Inventory Planner	29%	6.6%
Assistant Procurement/Contracts Officer	19%	2.6%
Stock Controller	26%	4.0%
Assistant Buyer	26%	7.5%
Administrative Assistant	13%	1.0%
Purchasing Assistant	19%	4.9%

BONUSES FCIPS VS NON-FCIPS ACROSS ALL SECTORS



We continue to see procurement professionals with an FCIPS designation being more likely to be eligible for and to receive a bonus, as well as receiving larger bonuses than their non-FCIPS counterparts. CIPS Fellows are the champions of our profession, showing a huge commitment to lifelong learning, mentoring, ethical procurement and so much more. The Fellowship is the highest grade of CIPS membership, an accolade that recognises outstanding levels of achievement, knowledge and experience, and therefore those with an FCIPS designation can command the highest levels of remuneration.



BY SECTOR AND INDUSTRY – PRIVATE SECTOR



The Private Sector boasts by far the largest proportion of procurement professionals eligible for and receiving a bonus. This is as we would expect due to private companies on the whole offering higher salaries, of which bonuses are usually a percentage and also having fewer restrictions on bonuses, compared with the Public Sector which rely on public funds. Banking, Finance and Insurance and Telecoms top the list in terms of receiving a bonus.

BONUS ELIGIBILITY BY PRIVATE SECTOR INDUSTRIES Average bonus received as a % of salary

Industry	Bonus Eligibility (%)	Average Bonus (% of Salary)
Banking, Finance and Insurance	84%	12.0%
Telecoms	77%	13.9%
Energy and Utilities	69%	12.1%
Pharmaceuticals and Life Sciences	67%	13.7%
FMCG (Fast Moving Consumer Goods)	60%	11.6%
Professional and Business Services	59%	10.0%
Defence	56%	8.1%
Transport, Distribution and Storage	55%	10.4%
IT	53%	10.2%
Retail and Wholesale	52%	9.2%
Manufacturing and Engineering	51%	8.9%
Agriculture, Forestry and Fishing	50%	13.7%
Construction	46%	8.6%
Hotels and Catering	44%	12.5%
Healthcare	42%	8.2%

BY SECTOR AND INDUSTRY – PUBLIC SECTOR

18%

RECEIVED A BONUS ACROSS THE PUBLIC SECTOR

2%
more than in 2019

The largest proportion of procurement professionals in the Public Sector receiving a bonus is found in the Defence/MOD/DOD, NDPB and Central/Federal Government industries, as these organisations continue to drive to attract talent from the Private Sector.

BONUS ELIGIBILITY BY PUBLIC SECTOR INDUSTRIES

Average bonus received as a % of salary

Defence/MOD/DOD	47%	12.0%
Non-Departmental Public Body (NDPB)	31%	9.1%
Central/Federal Government	27%	13.9%
State Government	6%	7.9%
Education	5%	12.1%
Local/City Council	3%	13.7%
NHS/Health Service	1%	11.6%

BY SECTOR AND INDUSTRY – CHARITY/NOT FOR PROFIT

19%

RECEIVED A BONUS ACROSS THE PUBLIC SECTOR

3%
more than in 2019

There was a slight increase in the proportion of professionals receiving a bonus this year, but on average the size of the bonuses was the lowest in the Charity/ Not For Profit Sector compared to the other sectors. Average bonuses also declined here since 2019, when they were 6.6% of salary.

BONUS ELIGIBILITY BY PUBLIC SECTOR INDUSTRIES

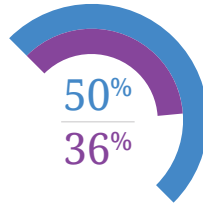
Average bonus received as a % of salary

Educational Society	25%	1.8%
International Charity (NGO)	17%	3.0%
Housing Association	14%	2.2%
Domestic Charity	13%	12.0%

BONUSES BY GENDER AND REGION

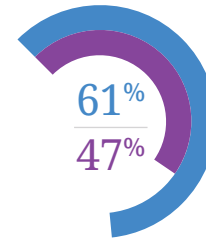


More men than women received a bonus



Male 8% more than in 2019
Female 1% more than in 2019

More men than women eligible to receive a bonus



Male 6% more than in 2019
Female 4% more than in 2019

Based on this year's respondents, we continue to see men being more likely to be eligible for and to receive a bonus. The same issues apply here as to salary; as bonuses tend to be paid as a percentage of salary, the lower the salary the lower the bonus.

London, the South East and the West Midlands were the regions where the largest proportion of procurement professionals receiving a bonus worked: 52%, 48% and 47% respectively. These were also the regions that were most likely to pay bonuses as employers strive to offer a competitive package to professionals that acts as both an attraction and a retention tool. The proportion of procurement professionals receiving a bonus has increased since 2019 in all regions apart from the East of England and North East.

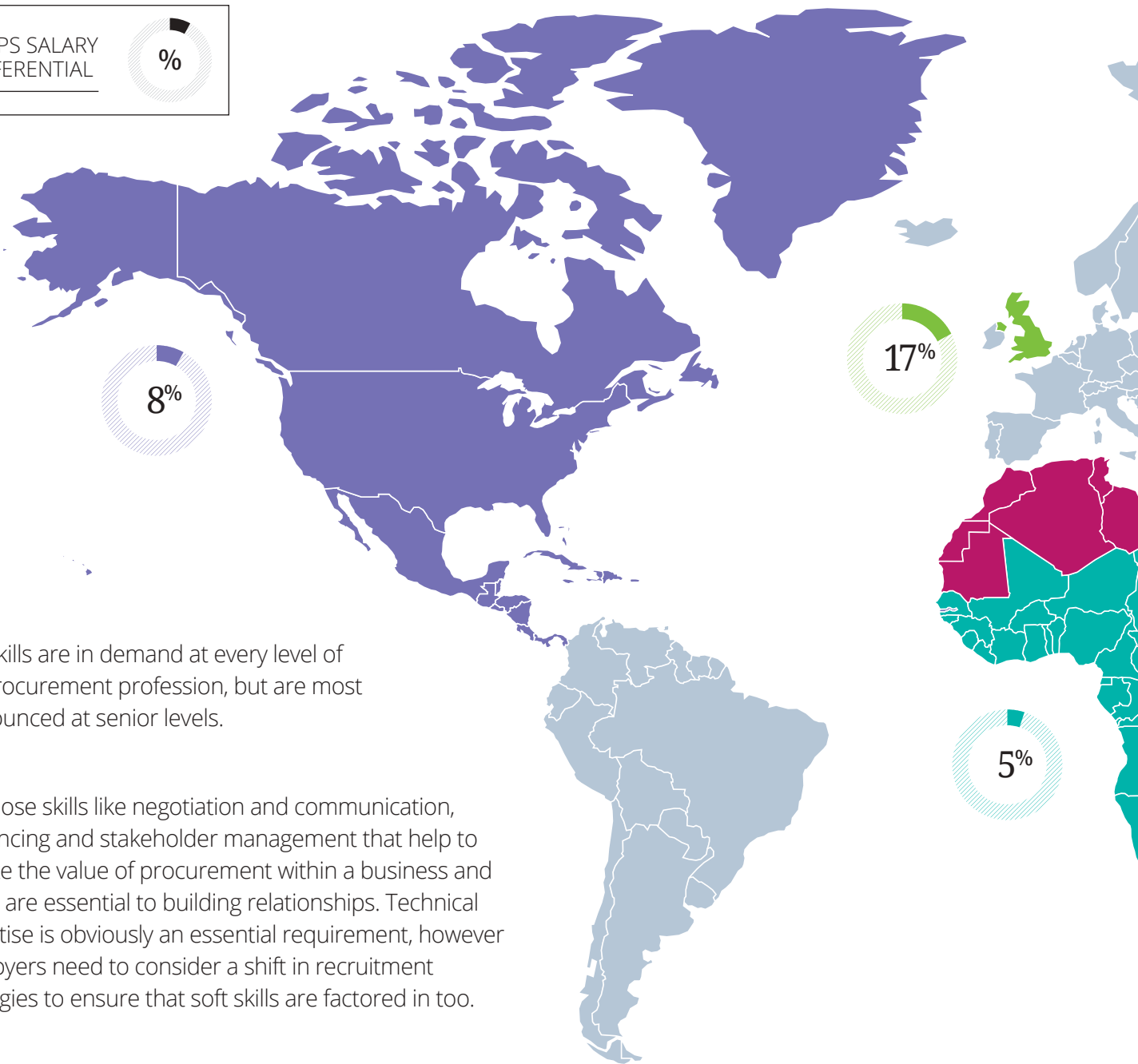
Those working in London and Scotland received the highest average bonus as a percentage of their salary (12.2% and 11.6% respectively), which can be largely attributed to the prevalence of the banking industry in these two locations where bonuses often make up a significant part of a professional's remuneration.

BONUS ELIGIBILITY BY REGION

Average bonus as % of salary

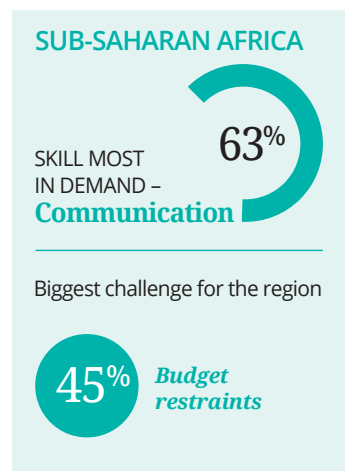
Region	Bonus Eligibility (%)	Average Bonus as % of Salary
London	52%	12.2%
South East	48%	9.9%
South West	44%	7.8%
West Midlands	47%	8.0%
East Midlands	41%	8.0%
East of England	34%	10.3%
North East	38%	7.4%
North West	44%	9.1%
Yorkshire and Humber	34%	9.5%
Northern Ireland	37%	8.2%
Scotland	36%	11.6%
Wales	28%	8.3%

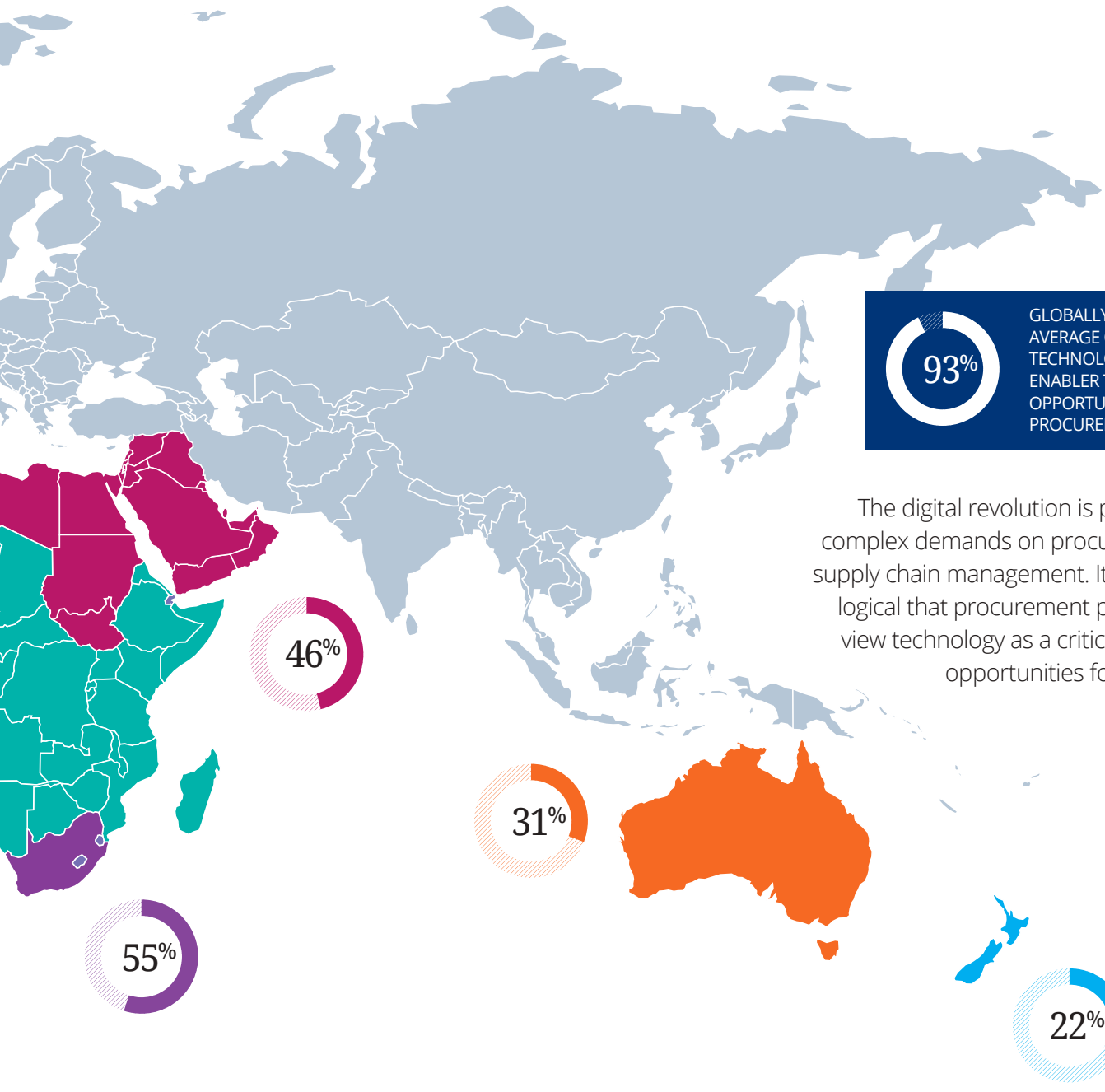
THE GLOBAL OUTLOOK



Soft skills are in demand at every level of the procurement profession, but are most pronounced at senior levels.

It is those skills like negotiation and communication, influencing and stakeholder management that help to elevate the value of procurement within a business and which are essential to building relationships. Technical expertise is obviously an essential requirement, however employers need to consider a shift in recruitment strategies to ensure that soft skills are factored in too.





93%
 GLOBALLY, AN AVERAGE OF 93% SEE TECHNOLOGY AS AN ENABLER TO CREATE OPPORTUNITIES FOR PROCUREMENT

The digital revolution is placing more complex demands on procurement and supply chain management. It is therefore logical that procurement professionals view technology as a critical enabler of opportunities for the future.

SOUTH AFRICA

SKILL MOST IN DEMAND – **Sourcing** **63%**

Biggest challenge for the region

47% *Being seen as a strategic partner*

AUSTRALIA

SKILL MOST IN DEMAND – **Communication** **68%**

Biggest challenge for the region


65% *Being seen as a strategic partner*

NEW ZEALAND

SKILL MOST IN DEMAND – **Communication** **68%**

Biggest challenge for the region

65% *Being seen as a strategic partner*

 **CIPS Tips**
 Tool: View the [global interactive map](#) for the full breakdown for each region



BENEFITS, SECTOR AND GENDER

FLEXIBLE
WORKING MOST
FAVOURED
BENEFIT FOR BOTH
GENDERS

across
all
sectors

This year, we expanded our survey in order to provide a detailed insight into the benefits employers offer compared to the benefits employees want to receive, by gender and sector. As we identify throughout our report, in a world where talented individuals are highly selective about their career decisions and where so much information is available about organisations, those looking to recruit must work hard to attract and retain talent. The information in this section will be crucial for employers with the foresight to tailor their offer to reflect real needs and ambitions at every stage of their employees' career journeys.

Our report highlights a real mismatch between the top five benefits offered and desired; the only one featuring in both lists was working from home, reflecting a positive shift in focus on flexible working in recent years,

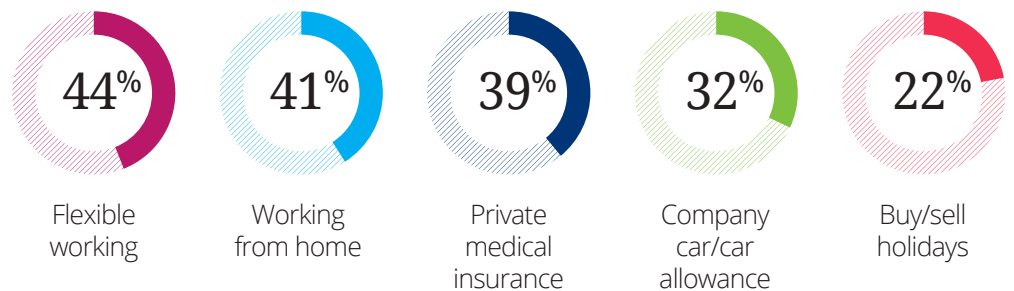
even in the Private Sector. As the COVID-19 pandemic caused many organisations to put the infrastructure in place to facilitate remote working, professionals will likely continue to place a high focus on being able to work from home in the year ahead. Therefore, employers who continue this 'new normal' of home working once the crisis has passed may well be seen as an employer of choice by procurement professionals.

There are, however, a number of benefits that professionals place value on which employers are not necessarily offering. For example, the ability to buy or sell holidays or receiving above statutory pension contributions. It is important to note that the benefits desired differ by gender and between sectors, so employers should take care to evaluate their offering and tailor it to meet the requirements of individual members of their team.

CIPS Tips

Podcast: [Find out more about flexible benefits packages](#)

MOST COMMON DESIRED BENEFITS BY PROFESSIONALS FOR 2020

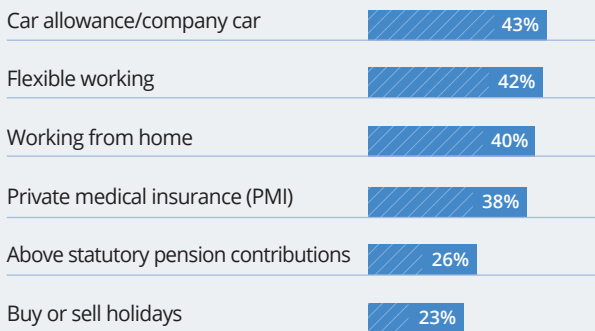


Employers are frequently finding it difficult to attract and retain procurement professionals in this skills-short market. Employers who are struggling to find and retain talent should therefore assess their current benefits offering and consider how it can be adapted to help their organisation to stand out from the competition. The benefits that professionals value most differ slightly between sectors and by gender, so tailor yours accordingly. If you are already offering any of the benefits most in demand, ensure your team are aware of what is on offer to them.

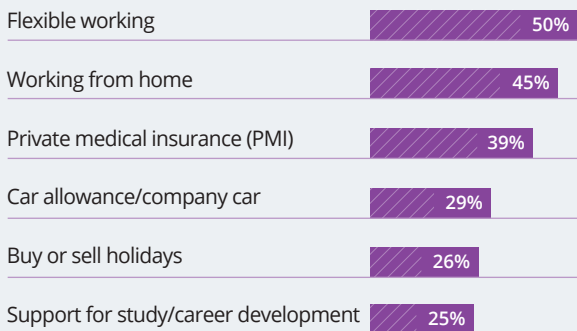
Scott Dance
Director, Hays Procurement & Supply Chain

TOP SIX BENEFITS DESIRED BY SECTOR AND GENDER

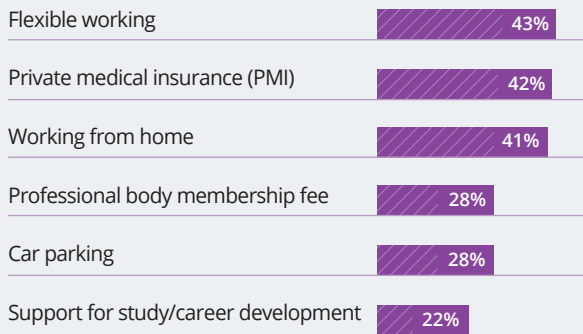
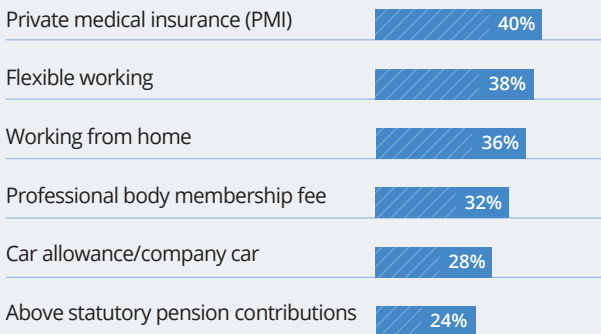
PRIVATE SECTOR



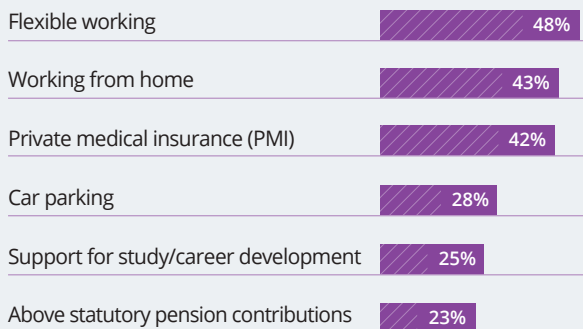
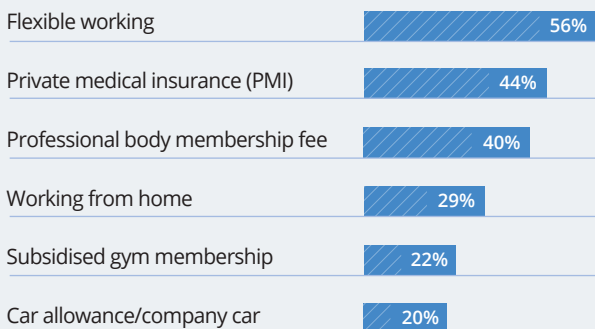
KEY ■ Male ■ Female



PUBLIC SECTOR



CHARITY/NOT FOR PROFIT SECTOR



BENEFITS, SENIORITY AND GENDER

FLEXIBLE WORKING MOST COMMON DESIRED BENEFIT

across all levels of seniority and gender

Again, we see flexible working and working from home featuring on both the top five most desired and offered benefits, across all levels of seniority and gender. Given that the COVID-19 pandemic has forced many organisations to set up remote working for their teams, going forward they should consider how to incorporate the positive benefits of home working in their offering to employees. For example, working from home means professionals spend less time and money on commuting to work, and more time they can dedicate to their personal lives. This is highly

valued by employees, and will no doubt be sought when looking for a new role in the future.

Our report highlights a number of benefits that are more commonly desired than received, particularly at lower levels of seniority. These include benefits associated with transport and travel, accident and medical insurance, and private gym membership. Plus, not all the top desired benefits have financial implications and so employers could offer options such as working from home and the chance to buy or sell holidays at little expense.

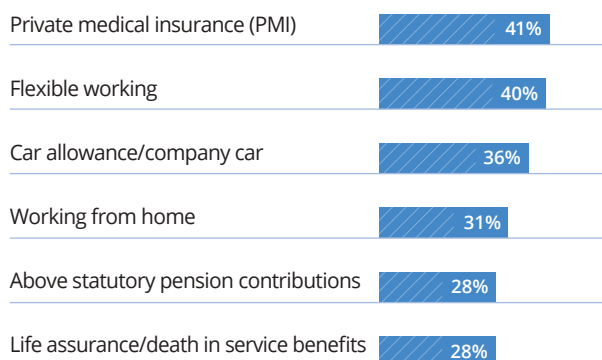


CIPS Tips

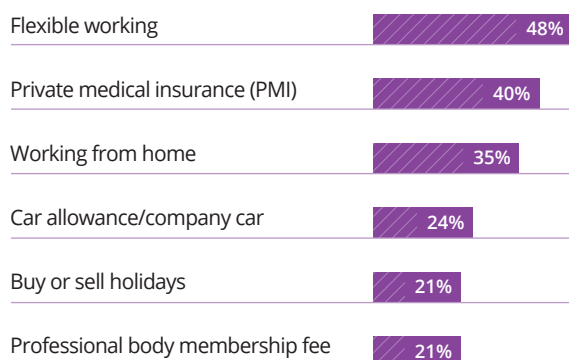
Podcast: [Make sure you match the benefits to the level you are recruiting for](#)

TOP SIX BENEFITS DESIRED BY LEVEL AND GENDER

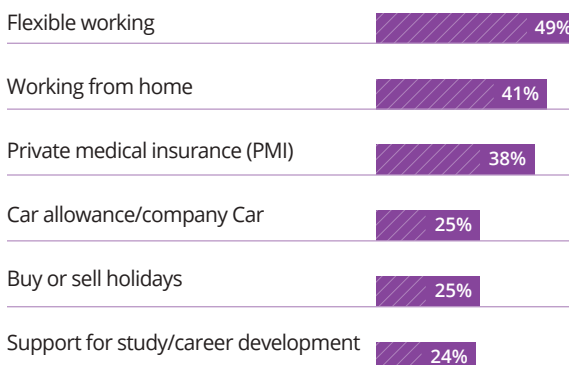
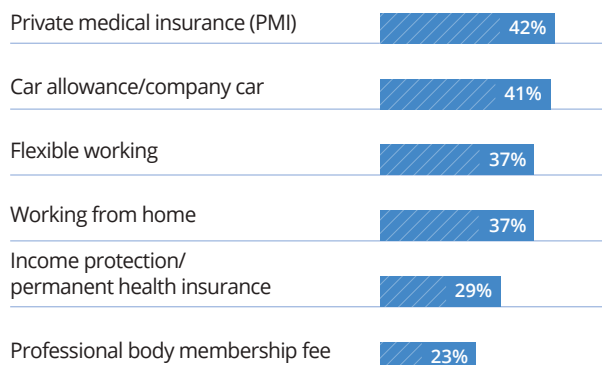
ADVANCED PROFESSIONAL



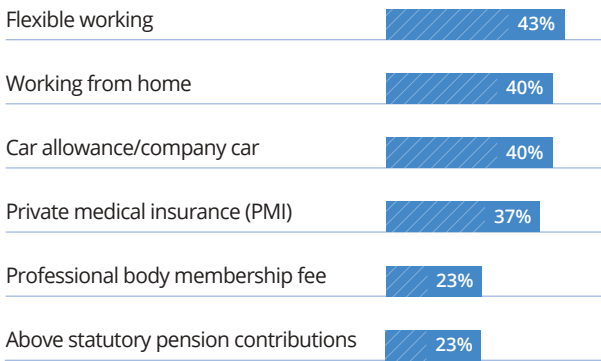
KEY ■ Male ■ Female



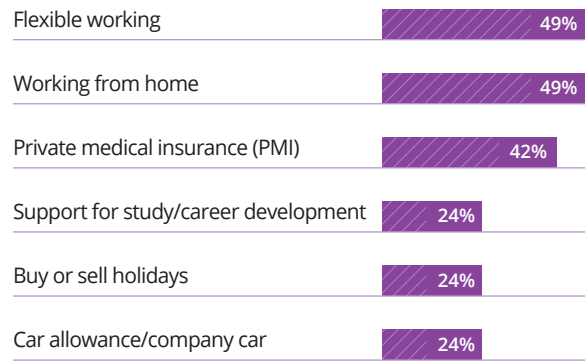
PROFESSIONAL



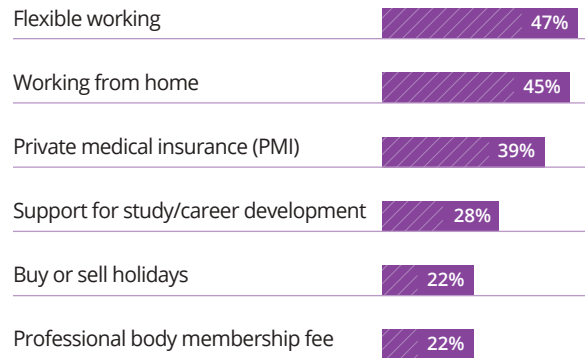
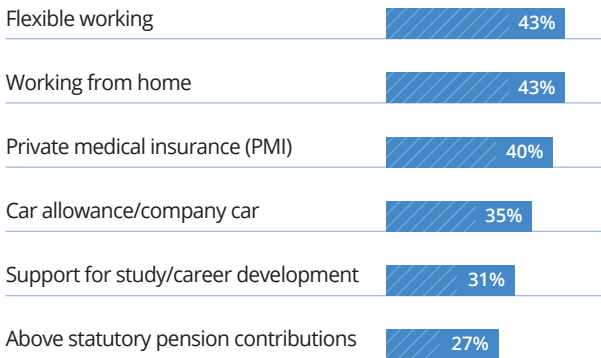
MANAGERIAL



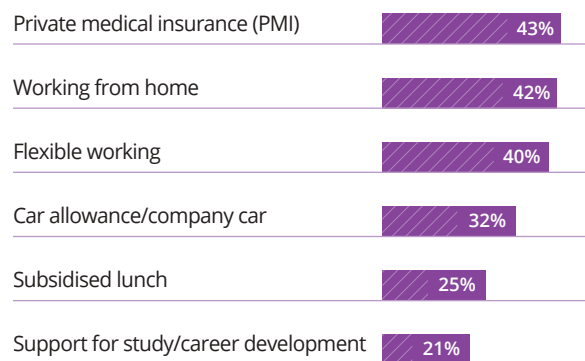
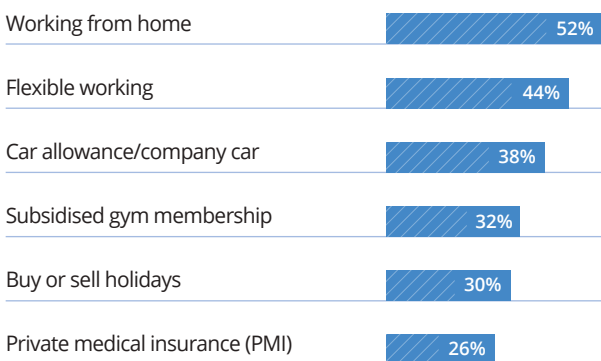
KEY Male Female



OPERATIONAL



TACTICAL



CIPS Tips

[Podcast: Remote recruitment and working](#)



[Podcast: Patrick Dunne discusses remote working and how teams will interact in the future](#)

RECRUITMENT BY SECTOR AND SENIORITY



We continue to see a growing appreciation and understanding of the value of MCIPS as procurement grows its strategic influence. With 64% of employers across all sectors and levels now requesting MCIPS, or that a candidate is studying towards achieving this, the designation is clearly highly respected and valued as a mark of professionalism and performance. In addition, 45% of our respondents stated that they would give further consideration for candidates holding FCIPS across all sectors, up from 41% in 2019.

The value of MCIPS was particularly high in the Public Sector, where 76% of employers

would request it as a preference from candidates, up from 73% in 2019, and at Tactical, Advanced Professional, Professional and Managerial levels.

MCIPS denotes that an individual has achieved an internationally recognised award which represents the global standard within the profession for a procurement professional. It signals to peers and employers professional excellence based on ability, achievement and ethics. Combined with ambition and commitment, MCIPS professionals command a premium in terms of salary and benefits.

CIPS Tips



Guide: [Measuring the benefits of qualified professionals](#)

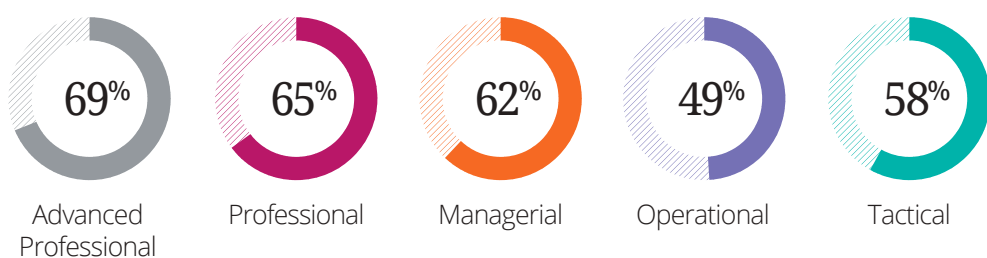
MCIPS (OR STUDYING TOWARDS) DESIRABILITY WHEN RECRUITING BY SECTOR



FCIPS DESIRABILITY WHEN RECRUITING BY SECTOR



MCIPS (OR STUDYING TOWARDS) DESIRABILITY WHEN RECRUITING BY LEVEL OF SENIORITY



TALENT MANAGEMENT

3

section

Talent management is all about matching the needs of employers with employees and vice versa. Since we began this report we have highlighted a mismatch between the two, with organisations often not fully understanding what professionals are looking for in a new role.

Prospective employees are now much more selective and, thanks to social media and websites such as [glassdoor.co.uk](https://www.glassdoor.co.uk), have a wealth of information about employers at their fingertips.

Financial considerations are important in attracting and retaining talent, but today it is about so much more; the best procurement professionals want to put their careers in the hands of employers who will invest in their training and development, and offer a clear path for progression. Professionals also want to work for ethical companies that are committed to investing in sustainable procurement, and location and flexible working are becoming increasingly important as individuals seek to achieve better work-life balance and reduce the cost and time of travel.

In order to attract and retain the best, employers must consider their entire offer, not just in terms of remuneration. Candidates will be looking at everything from location, transport links, salary, training and benefits, to ethical integrity and environmental reputation. The organisations that make these part of the total offer, clearly communicate them at every stage of the recruitment process, and that are willing to 'flex' benefits throughout individual careers, will be the ones who become employers of choice in an increasingly competitive talent market.

64%
request
MCIPS when
recruiting



CIPS Tips

[Report: Get your copy of the Hays What Workers Want Report](#)



[Guidance: Soft Skills](#)

This year's survey results show that over half of employers are still struggling to find the right talent. One option organisations can review is how easy it is for procurement professionals to apply for a role, and how long their hiring process is. For example, how long is your application form? How many rounds of interviews will a job candidate need to undertake? On average, how long will they need to wait to hear back about a job offer? Assess your own application process end-to-end and see where it is possible to shorten.

During the application and interview process, hiring for potential should also be a key consideration. Although a candidate may not meet all the technical requirements of the job on offer, they might instead possess strong soft skills such as stakeholder management and communication skills. Technical skills are often easier to learn than soft skills, so employers should have greater flexibility in this regard.

It is also important to remember that interviews are a two-way process with candidates also considering whether your organisation and team are right for them. Take the time to identify the reasons why a candidate should join your team and communicate these to candidates when interviewing.

Scott Dance
Director, Hays Procurement & Supply Chain

HIRING CHALLENGES



CIPS Tips
Podcast: [Top tips to attract and retain talent](#)

Report: [Find out what workers really want in terms of digital transformation and automation in the workplace](#)

Infographic: [Top tips on attracting and retaining talent – Kimberley Campbell \(FCIPS\)](#)

Infographic: [Top tips on attracting and retaining talent – Chris Emberton \(MCIPS\)](#)

This year our report highlights that employers are still struggling to find talent and competition is high, with over a quarter of employers identifying this as a key hiring challenge. To be able to attract the best, organisations must fine-tune their employee proposition to reflect what candidates really want at all stages of the recruitment process, and this does not just include salaries and benefits.

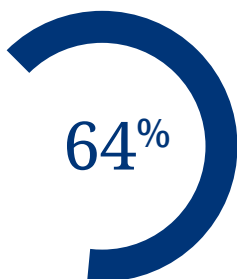
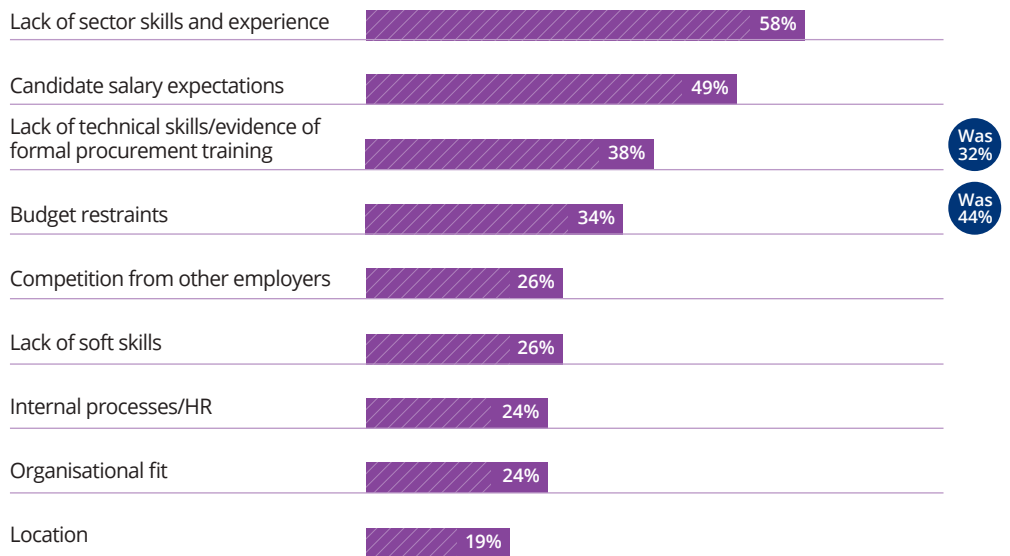
Today's prospective employees will assess every aspect of a company to see whether it's the sort of organisation they wish to join, making other non-monetary factors such as diversity and inclusion, ethical reputation and training investment extremely important.

It is worth noting that there has been a 6% increase in those employers facing a lack of

evidence of formal procurement training in prospective candidates. Therefore, organisations that offer structured training and development, such as CIPS in particular, will be able to demonstrate a commitment to both procurement and an individual's personal development within the organisation, as well as help to overcome the challenge of a lack of technical skills or formal training in prospective candidates.

Talented professionals are out there. But they are more selective about where they wish to work and have access to huge amounts of content about prospective employers. Successful employers will pay close attention to their offer and company and team image, and make sure positive messaging around this is promoted online and in social media.

CHALLENGES IN RECRUITING THE RIGHT TALENT



of employers request MCIPS (or studying towards) when recruiting



Globally, recognised, MCIPS demonstrates professional relevance and credibility – and increases demand from employers.

MCIPS – Your Professional Recognition

MCIPS is the global standard for professional performance and increasingly requested by organisations seeking to recruit procurement talent. It is a trusted mark of proficiency and integrity that makes MCIPS professionals in high demand, giving significant advantage in terms of career progression and earning power.

SKILLS IN DEMAND



On the previous page we saw that two of the top three challenges in recruiting procurement talent were identified as a lack of sector skills and experience, and a lack of technical skills/evidence of formal procurement training. Interestingly the top skills in demand at every job level, but even more so at senior levels, are soft skills including influencing and stakeholder management skills, which help to elevate procurement at all levels of the business and ensure strong internal and external stakeholder relationships.

This points to a need for a shift in recruitment strategies. Technical skills, qualifications and experience provide the foundation, enabling professionals to do their jobs effectively and build credibility and trust. But finely tuned soft skills set individuals apart, enabling them to influence and make change happen, to raise their profile within the organisation and the value procurement can deliver as part of the wider business agenda. This is why we continue to see soft skills ranked so highly in terms of the skills most sought after by employers. Being technically sound is important but to take things to the next level requires effective communication and influencing skills for maximum impact with both key internal stakeholders and suppliers. Employers should therefore ensure that during the recruitment process they consider not just the technical expertise that job candidates possess, but the soft skills too.

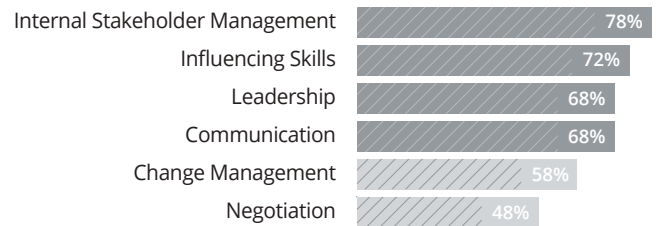
Our research shows that soft skills including supplier relationship management, influencing and communication are all high in demand. These skills feature high on the in demand list across all levels of seniority, highlighting the need for professionals to embrace lifelong learning and ensure they are developing their soft skillset across the entirety of their career.

Scott Dance
Director, Hays Procurement & Supply Chain

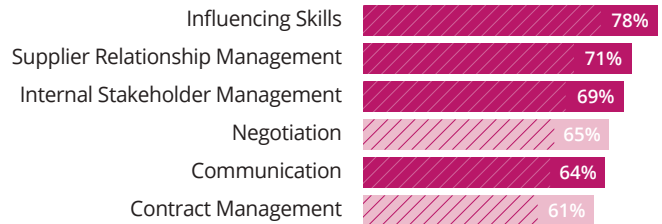
TOP SIX SKILLS IN DEMAND BY JOB LEVEL

KEY Soft skills Technical skills

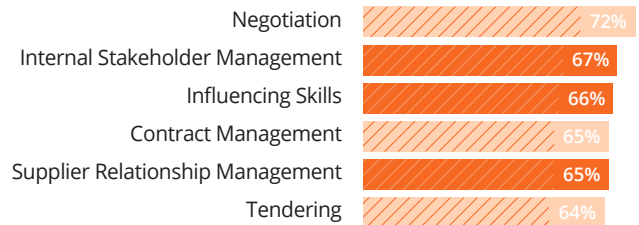
ADVANCED PROFESSIONAL



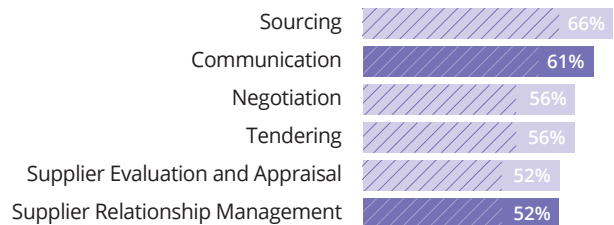
PROFESSIONAL



MANAGERIAL



OPERATIONAL



TACTICAL



CIPS Tips

[Webinar: Influencing the C-Suite](#)



[Webinar: Influencing key stakeholders](#)



[Tool: CIPS Global Standard](#)



[Podcast: Using game theory to increase your influence](#)




[Podcast: Behavioural procurement](#)


EMPLOYEE MOVEMENT PLANS



In a turbulent economic climate that would normally lead to caution in the job market, this year we are seeing significant rises in the numbers of professionals looking to move employer in the next two years, from a sector average of around 30% in 2019 to averages of over 60% in the three sectors this year. The message for employers is clear: if an organisation is not fulfilling their employee's ambitions in terms of career progression, job content or work-life balance, they will look to move, irrespective of sector, gender or the wider economic picture.

The proportion of professionals seeking to move in the next two years was highest in the Private Sector, up from 31% to 72%. Public Sector and Charity/Not For Profit Sector have also seen a doubling of the figures, from 29% and 28% respectively to 68% and 64%.

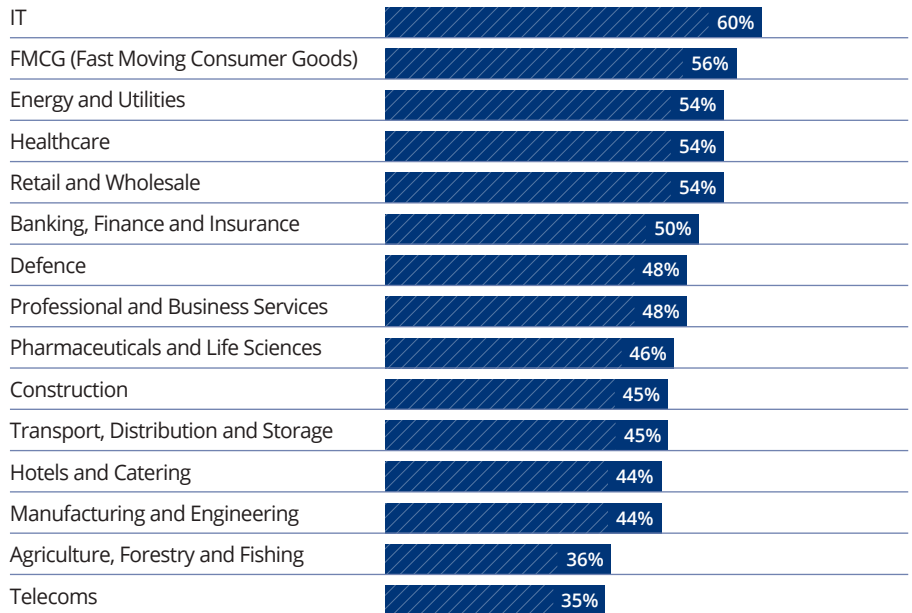
CIPS Tips
 [Podcast: What to consider when looking to change jobs or organisations](#)

 [Report: Discover what workers want both now and in the future in the Hays What Workers Want series](#)

% RESPONDENTS LOOKING TO MOVE EMPLOYER IN THE NEXT TWO YEARS BY INDUSTRY AND SECTOR

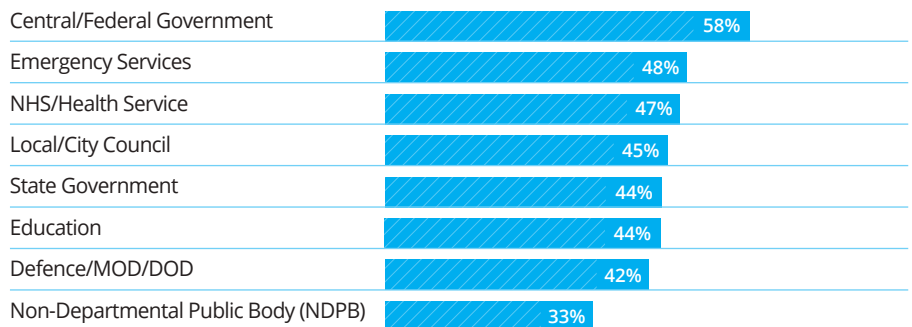
PRIVATE SECTOR

AVERAGE 72%



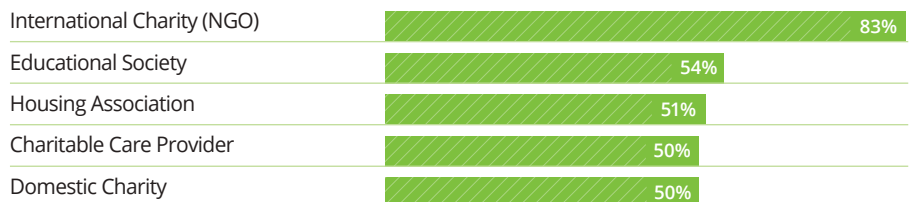
PUBLIC SECTOR

AVERAGE 68%



CHARITY/NOT FOR PROFIT SECTOR

AVERAGE 64%



FACTORS DRIVING EMPLOYEE MOVEMENT



Although candidates are expressing caution given the current climate, salary remains the most frequently cited reason for professionals to move job. However, this has decreased slightly by 2% since 2019 as individuals continue to place increased value on other, non-financial factors. In fact, only one of this year's top five reasons to move is monetary. With 70% of respondents stating that they would want to progress to a more senior role in the next two years, employers must look wider than financial incentives in order to retain talent, such as:


- **A clear flexible working policy:** 52% cited flexible working polices as important but also location has moved right up to second place behind salary as people seek to achieve a better work-life balance. Given that it would be hard to ensure location is convenient for all, flexible working could be the answer to reducing travel time and costs.

- **Career progression opportunities:** The third most important consideration, making a clear plan for career progression within the organisation is vital for talent retention.
- **Training and development:** Again, this has moved up the list this year and emphasises the importance of investing in structured training such as CIPS qualifications, continuing professional development, and other resources and events.
- **Company reputation:** For the first time this has entered our top five list to overtake content of the work, showing the growing desire to work for ethical companies and those engaged in sustainable sourcing.



MOST IMPORTANT FACTORS WHEN CONSIDERING A NEW JOB

Salary	74%
Location within the country where I am currently based	62%
Career progression opportunities	60%
Company is committed to staff training and development	59%
Company reputation	58%
The content of the work	56%
Management team	55%
Reassurance about job security	53%
Flexible working policies beyond statutory requirements	52%
Procurement is highly valued within the company	46%
Company is well known for ethical practices	40%
Benefits offered beyond salary and bonus	39%
Opportunity to earn a bonus	31%
Opportunity to move to a role in a different country	7%
Opportunity to move to a different industry sector	7%

 **CIPS Tips**
Podcast: [What to consider when looking at a new employer... not just salary!](#)



Globally, recognised, MCIPS demonstrates professional relevance and credibility - and increases demand from employers.

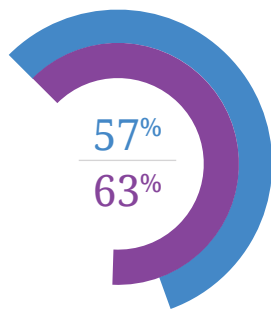
MCIPS professionals earn on average 17% more than non-MCIPS colleagues across all levels

MOVING JOB – FACTORS BY GENDER



CAREER PROGRESSION OPPORTUNITIES ARE AN IMPORTANT FACTOR FOR MEN AND WOMEN WHEN MOVING JOB

KEY  Male  Female



Unsurprisingly, our survey identifies salary and location within the country as among the top three most important factors when considering moving to a new employer for men and women alike. In addition, career progression opportunities also featured in the top five for both genders.

But beyond these similarities, things start to differ. We see men prioritising factors that are to do with the day-to-day role and their progression, such as the content of work, while women tend to look at things like company reputation and commitment to training and development. After salary, which is almost equally important to both men and women, the factors that men prioritise are least favoured by women, again supporting the supposition that women tend to place more importance on wider factors.

IMPORTANCE OF DIFFERENT JOB FACTORS BY GENDER

MALE



FEMALE



CIPS Tips

[Podcast: How to plan for the next step up in your career](#)



[Training: Find out about CIPS World Class Training](#)

MOVING JOB – FACTORS BY AGE



Within the next two years, the report highlights that a significant proportion of our respondents are looking to move jobs: 53% of under 35s, 51% of 36-45 year olds and 39% of over 46s. This signifies a potential loss of talent and skills for employers who do not proactively take action to retain the best procurement talent in their teams.

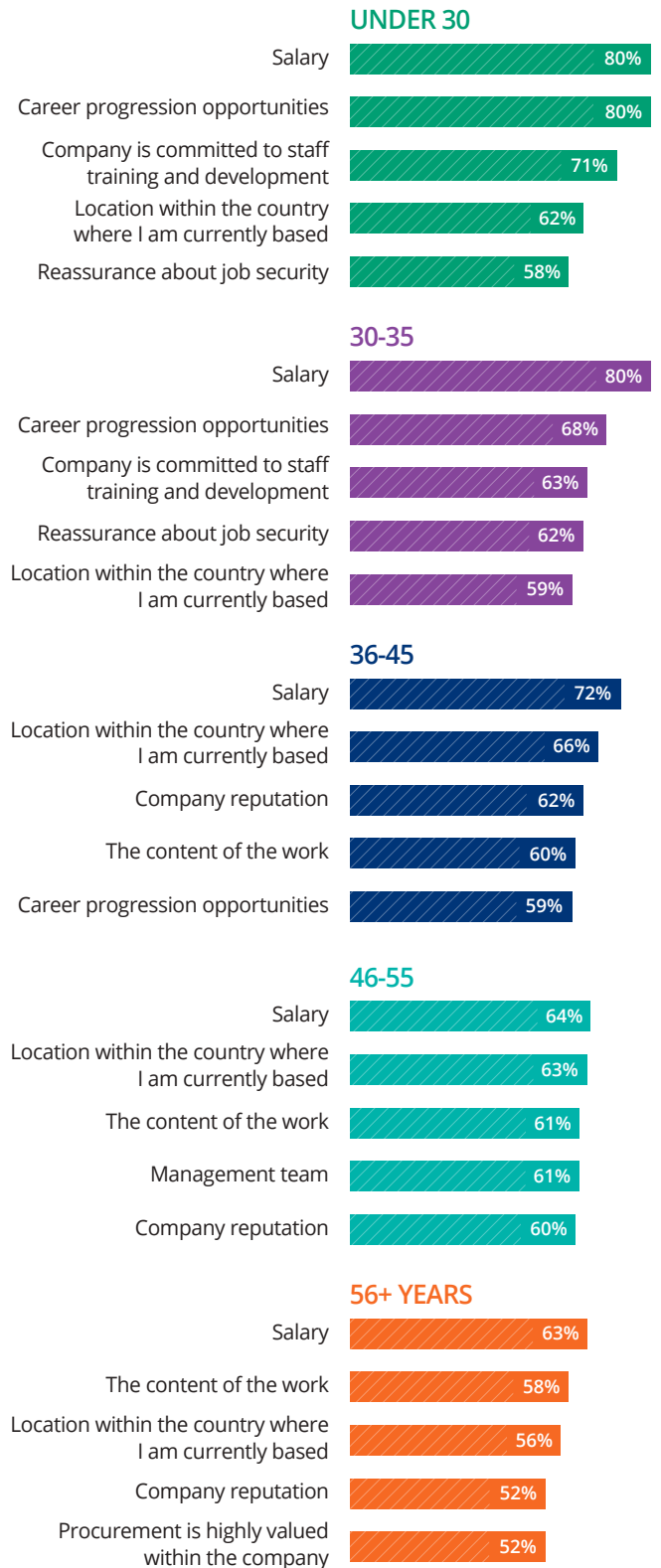
Combine this with the fact that, as we have seen in previous pages, salary, career progression, training and development, location and reputation are all important reasons for professionals to stay in their current job or not. Our report yet again reinforces the fact that employers need to work hard if they wish to keep the best talent, and identifies successful 'talent retention' strategies in relation to age, gender and seniority. Given that recruiting new staff is costly and time consuming, understanding what rewards, challenges and opportunities professionals want, and acting on these, is critical.

Another key point is the importance of location across every age group, which is understandable considering the cost of housing and transport. Flexible working or the opportunity to work from home can help to reduce the burden and achieve better work-life balance. However, organisations looking to relocate should make staff a priority consideration; a remote location may be great for overheads but if the transport infrastructure is poor and local housing unavailable or expensive, recruitment and retention could be challenging.

CIPS Tips
 Podcast: [Options for career progression... not just a promotion](#)

Podcast: [Engaging and retaining team members who are at an early career stage](#)

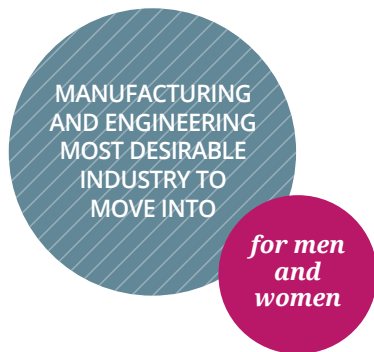
MOST IMPORTANT FACTORS BY AGE, IN ORDER OF PREFERENCE



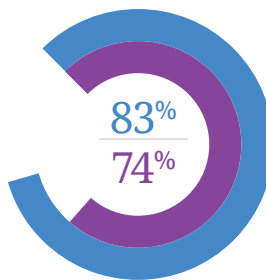
MOVING JOB – BY INDUSTRY

DESIRABLE SECTORS BY GENDER

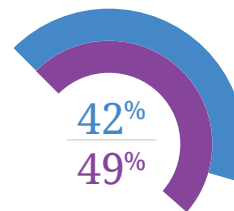
KEY ■ Male ■ Female



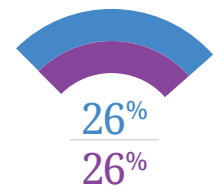
PRIVATE SECTOR



PUBLIC SECTOR



CHARITY/ NOT FOR PROFIT



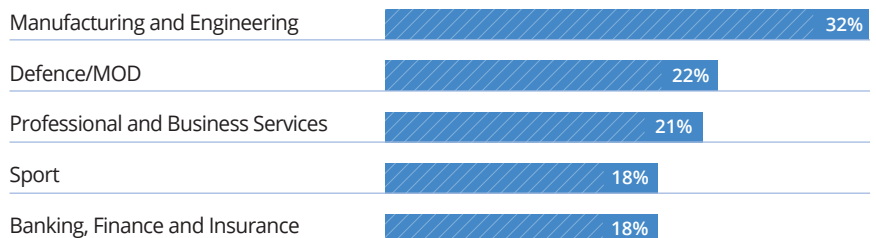
The Private Sector is still identified by men and women alike as the most desirable to work in, with professionals attracted by well-known brands and more available funds to invest in technology and innovation. However, is this the best career approach? It is perhaps better to compare roles rather than organisations: well-known companies with larger procurement teams may only offer highly siloed, transactional roles, while the more interesting and rewarding roles may be available in less well-known or unexpected sectors.

For example:

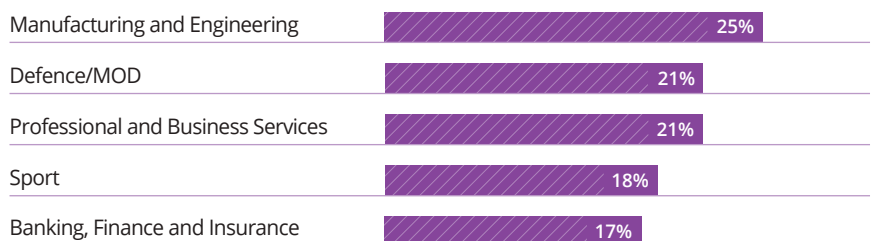
- The Police, MOD and NHS are all investing in technology that could result in interesting opportunities for professionals with the vision to look beyond the expected.
- As highlighted by the recent COVID-19 outbreak, working in a frontline service such as the NHS allows a procurement professional to make a significant and important impact on helping society at large.
- A brand new charity that is just setting up could provide a wider, more varied role with the chance to build experience quickly than an established business with a more structured procurement function.

TOP FIVE DESIRABLE INDUSTRIES

MALE



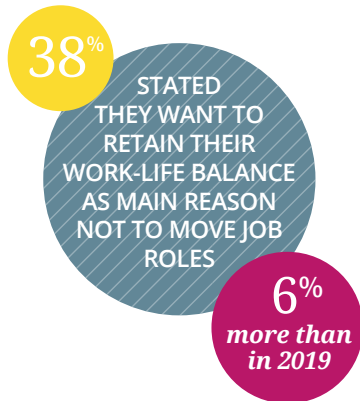
FEMALE



CIPS Tips

[Podcast: How moving sectors and roles can increase your experience and benefit your career](#)

FACTORS STOPPING EMPLOYEE MOVEMENT

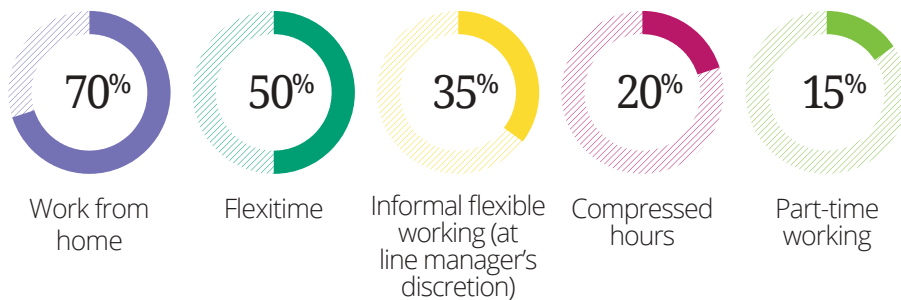


Excluding the impacts of the COVID-19 pandemic on employee movement, this year, 38% of our respondents stated that the main reason for them not to move job is because they are happy with their current work-life balance. Turn that on its head and it means more than 60% are not happy, making investing in strategies such as flexible working of paramount importance if employers are not to lose talent as they search for shorter travel times, cost-effective housing and lower transport costs. This will be even more highly sought after by professionals given widespread home working caused by the COVID-19 pandemic and will play an important role in attracting and retaining professionals in the months ahead.

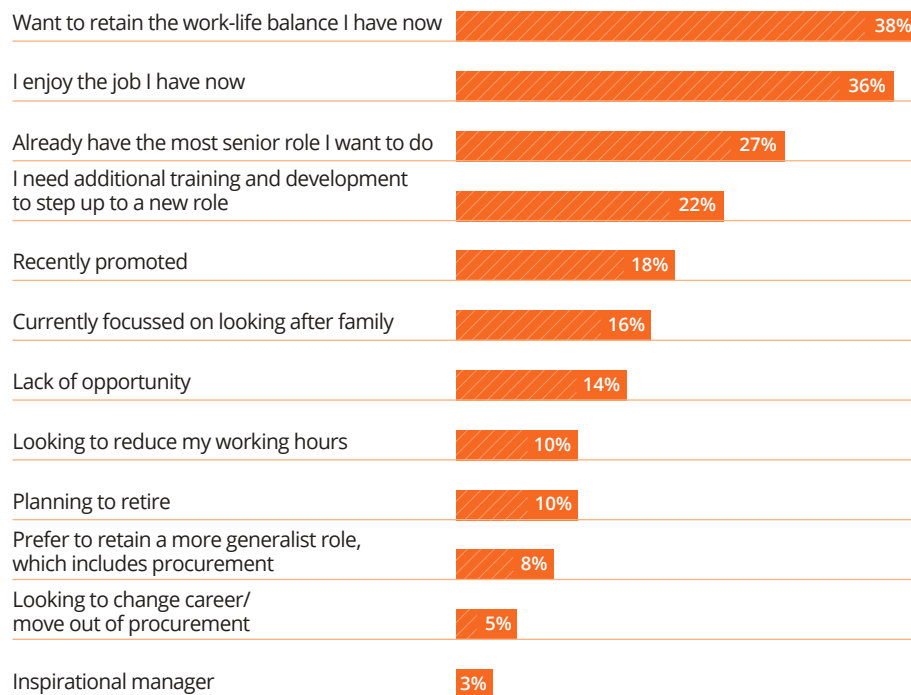
Another interesting consideration for employers is that 89% of our respondents stated that they wished to spend less than £100 per week travelling to work, with 54% of these stating that the amount should be less than £50.

CIPS Tips
 Podcast: [What to consider when looking at a new employer... not just salary](#)

TOP FIVE MOST POPULAR FLEXIBLE WORKING ARRANGEMENTS OFFERED



MAIN REASONS TO STAY WITH CURRENT EMPLOYER



Employers struggling to retain talent should consider why professionals want to stay in their current role. For example, retain current work-life balance is the top reason to stay with an employer, so consider how this aspect can be improved in your organisation.

Scott Dance
 Director, Hays Procurement & Supply Chain



“CREDIBILITY is the one word which being CIPS qualified rewards professionals with. Recognition is another attribute, as professionals we recognise each other’s skills and what’s needed to do our job well.”

Anish Kumar MCIPS
Senior Procurement Officer
Dubai Cable Co

Educating the profession



of recruiters prefer candidates with MCIPS or working toward it



MCIPS professionals earn 17% more than non-MCIPS



CIPS exams sat in over 150 countries



of students agree that our qualifications have helped their career

INTERIMS

4

section

As we identified earlier in this report, the procurement and supply profession has evolved significantly in recent years. More complex demands are being placed on procurement and supply professionals than ever before, exacerbated by the COVID-19 outbreak, and teams have a much wider remit and resonance within organisations.

This can open up real opportunities where specific projects require much broader or targeted skills than exist within current teams. While the COVID-19 outbreak caused a number of projects to be put on hold, those interims with highly sought-after skills will continue to be able to command high day rates when working on projects related to COVID-19 and later when delayed projects begin again.

Interims often bring diverse expertise and perspectives from working across various organisations and sectors. Such fresh and innovative ideas and solutions are highly prized by employers, again helping procurement interims to command the highest day rates.



Average interim
day rate
£539

Our survey results show that interims are required in both the Private and Charity/Not For Profit Sectors due to a shortage of skills, while in the Public Sector, interims are needed to work on specific projects. Across all three sectors, change and transformation projects remain the most common for interims to be engaged in, perhaps because their successful delivery often requires a different outlook with no organisational preconceptions.

As the environment in which organisations are operating continues to rapidly change, there will continue to be a need for professionals with specialist skills and a real depth of understanding to work on specific projects and deliver successful results during challenging times.

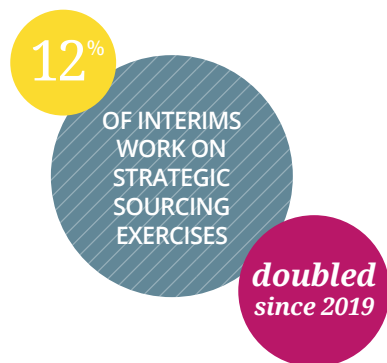
Widespread change and transformation combined with skills shortages means that organisations across all sectors continue to require interims to be able to deliver projects amidst often challenging scenarios. As a result, day rates have continued to rise for talented procurement interims.

Outside of the day rates on offer, interim work can be an attractive career choice for procurement professionals because of the flexibility that it provides. As highlighted earlier in this guide, flexible working is highly valued by many procurement professionals, and so can be a key draw for an individual to become an interim.

Organisations planning to engage with interims must be aware of the reforms to IR35 legislation in the private sector, originally set to be enforced in April 2020, but since delayed another year until April 2021. These reforms will shift the responsibility of determining the tax status of a Personal Services Company (PSC) worker from the individual to the engager. Getting prepared early and having a clear strategy in place to determine the tax status of their PSC workers will mean organisations will be in a strong position to continue engaging with procurement interims and ensure projects remain on track.

Scott Dance
Director, Hays Procurement & Supply Chain

INTERIMS BY ROLES



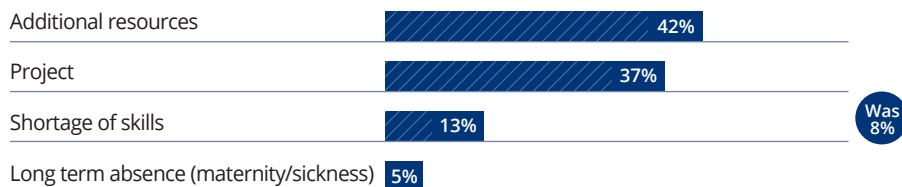
The proportion of interims we have seen being employed to work specifically on strategic sourcing exercises, which tend to be a key element of transformation projects, has doubled in 2020. When organisations focus on change and transformation they often require a fresh outlook with specialist knowledge and skills, and a wider experience across different sectors and organisations. This can often best be supplied by professionals who are not embedded in the organisation. These types of projects also tend to be time bound and output focused, and therefore cannot always be delivered within business-as-usual activities.

Key factors, such as changes in tariff arrangements and free trade agreements, could have led to increased demand for interims with specialist knowledge to work on strategic sourcing exercises.

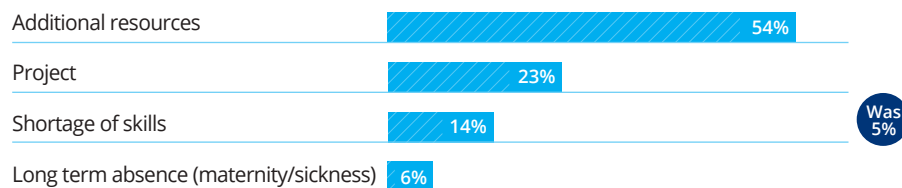
A shortage of skills continues to be a challenge for procurement employers, which is contributing to the increase in those hiring interims to negate this issue within their team. This need is particularly acute in the Private and Charity/Not For Profit sectors.

REASONS TO RECRUIT INTERIMS, BY SECTOR

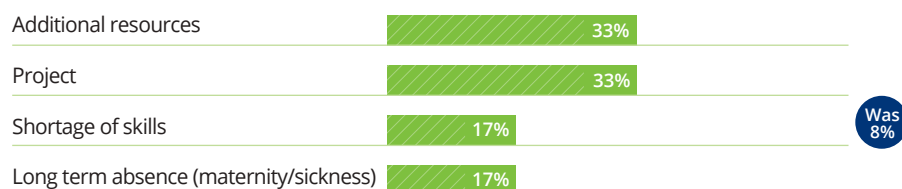
PRIVATE SECTOR



PUBLIC SECTOR



CHARITY/NOT FOR PROFIT



CIPS Tips

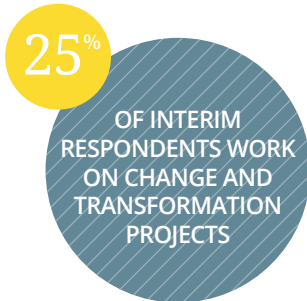
Guidance: [Read Hays' guidance on how to navigate reforms to IR35 legislation](#)

Organisations will continue to rely on procurement specialists in the months ahead as they traverse often challenging wider market conditions. Contractors bring with them specialist skills, knowledge and flexibility of hiring during peaks of work within an organisation. Their specialist skills are particularly pertinent, as across all three sectors, our survey results show that more employers are choosing to hire interims as a result of skills shortages, rising by 5% in the Public Sector and 8% in the Private and Charity/Not For Profit Sectors.

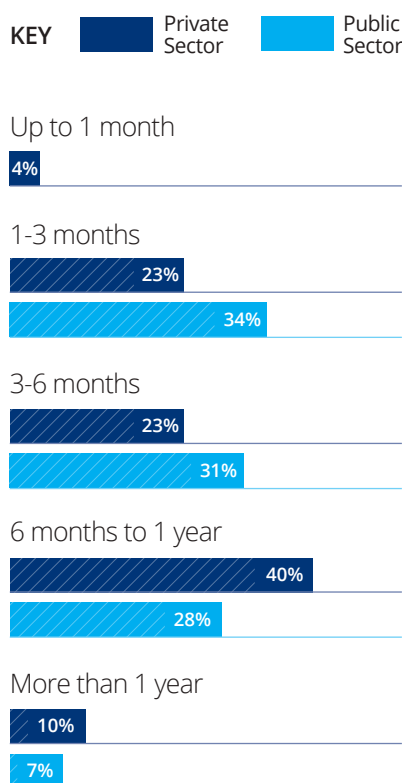
Scott Dance

Director, Hays Procurement & Supply Chain

INTERIMS DURATION AND PROJECT TYPE



DURATION OF INTERIM CONTRACT BY SECTOR



- CIPS Tips**
[Training: CIPS Ethics Test](#)
- Cycle: CIPS Category Management Cycle**
- Cycle: CIPS Contract Management Cycle**
- Tools: Communication and Soft Skills Tools**

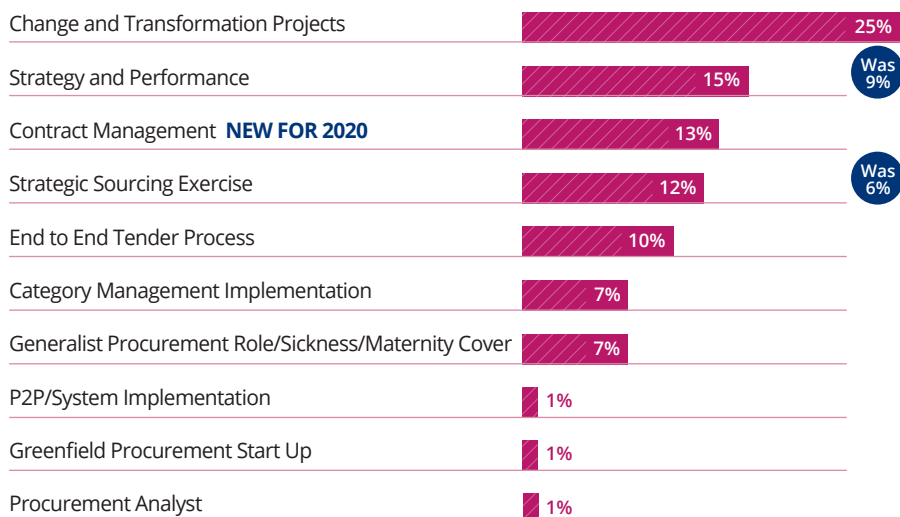
Last year, we observed a rise in the number of interims working in category management implementation and strategy and performance. Prior to the COVID-19 outbreak, there was a rise in strategy and performance assignments as businesses continued to prepare for Brexit and projects of this nature drew to completion.

A lack of contract management skills is one of the main reasons for contracts to fail. So for the first time we have seen contract management in the top three interim project types, as more organisations focus on improving their contract management process to

ensure they are obtaining the value they expected and that they have the right relationships in place.

Integral to these types of projects, especially during challenging times, is supplier relationship management as organisations seek to optimise the way they work with the supply chain. Are suppliers ethical? How are they audited? Is strategic value being delivered? How innovative are they? These are all key questions as organisations shift from simply treating suppliers as delivery partners to aligning them with business goals.

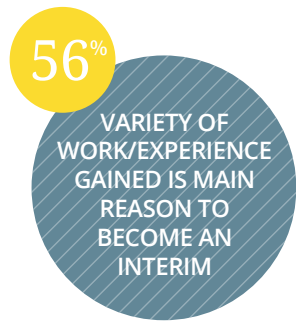
REASONS TO RECRUIT INTERIMS, BY PROJECT TYPE



Procurement interims are being recruited across a spectrum of projects, each of which require specialist technical expertise. However, to be truly successful, interims must also ensure they are able to display strong soft skills, and that they continue to hone these skills throughout their career. Employers are often on the lookout for interims who possess internal stakeholder management and communication skills so they can make the most impact from day one. These skills will be especially important for those embarking on change and transformation projects, which are taking place in many organisations across the sectors.

Scott Dance
Director, Hays Procurement & Supply Chain

INTERIMS WHERE AND WHY

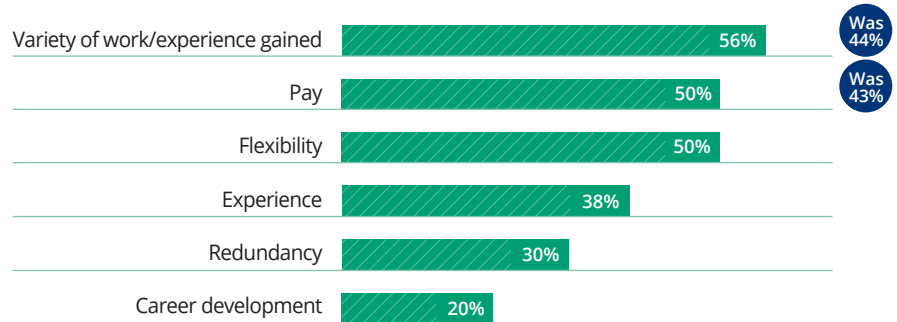


This year, the main reason to become an interim, rising by 12%, was identified as the variety of work/experience gained. Interims have the opportunity to significantly grow their expertise and skillsets by working on various projects within different organisations and this can be very attractive to some professionals. In addition, pay has moved up to become the second top reason, highlighting the healthy day rates that organisations are willing to pay interims with the right skillset.

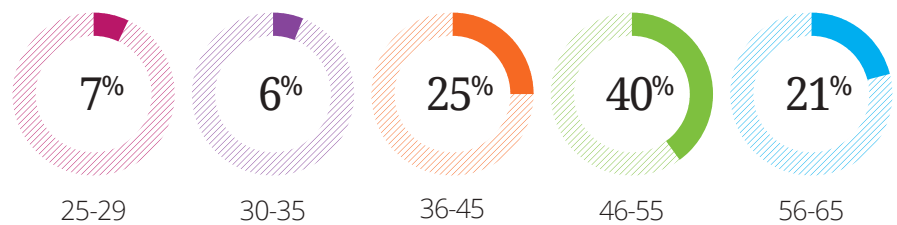
London continues to employ the most interims but the number of contracts in the South East and Scotland has doubled since 2019, as has the number of interims willing to work further away from home. The top three reasons for becoming an interim remain the same this year but the order has changed so now we are seeing more emphasis being placed on experience to be gained and pay as motivating factors.

Reforms to IR35 legislation have been delayed until April 2021 due to the impacts of COVID-19. However, when they were expected to be implemented in April 2020, the changes were a key issue for all interims, with 38% expecting them to have a negative impact on their role in the next 12 months. However, having operated under the reformed legislation since April 2017, 45% of those working in the Public Sector believed that IR35 would not impact their role this year. This is in comparison to those working in the Private Sector, where 38% were unsure what impact the reforms, originally expected to be implemented in April 2020, would have on their role. Organisations and contractors alike must use the time afforded by the delay to ensure they have a plan in place to navigate the updated legislation when it is enforced in April 2021.

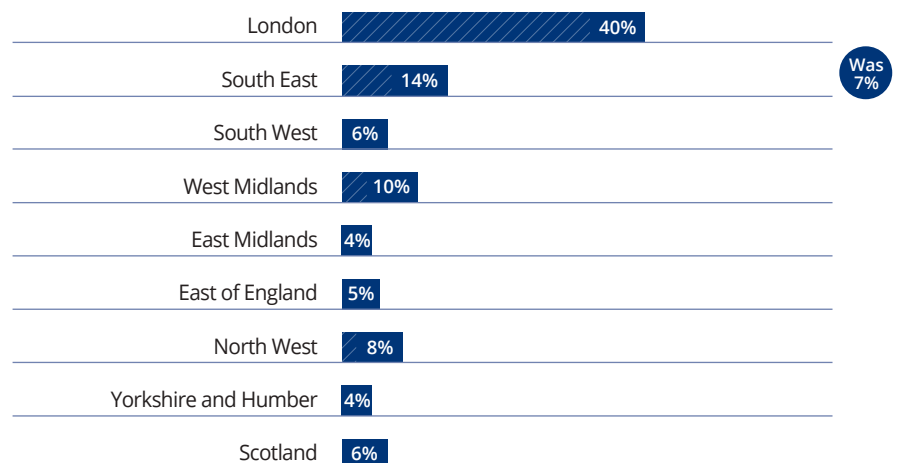
TOP SIX REASONS TO BECOME AN INTERIM



INTERIMS AVERAGE AGE



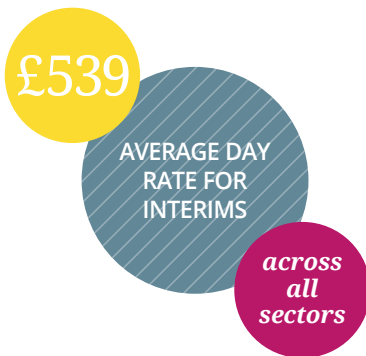
INTERIMS BY LOCATION



CIPS Tips
Infographic: [5 Tips for Interims in 2020](#)

Podcast: [The Changing Demands on Interims](#)

INTERIMS DAY RATES

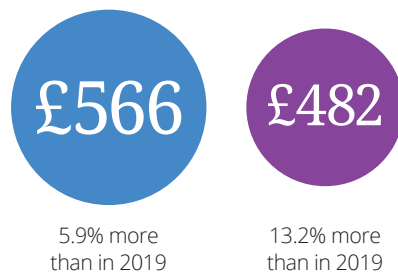


It is encouraging to see the gender pay gap for interims continues to close. However, our report highlights a significant difference between average rates paid in the Private and Public Sectors. Given that reforms to IR35 legislation in the Private Sector have now been delayed until April 2021, this difference may well continue into the year ahead.

As demands on professionals and supply chains become more complex, we have seen a huge jump in the day rates for professionals with the specialist experience and skillsets that can bring real value to the following projects: strategy and performance, which has increased from £362 to £572; and strategic sourcing, which has increased from £302 to £513.

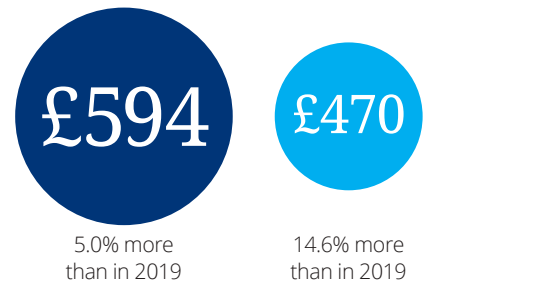
INTERIM AVERAGE DAY RATES BY GENDER

KEY ■ Male ■ Female

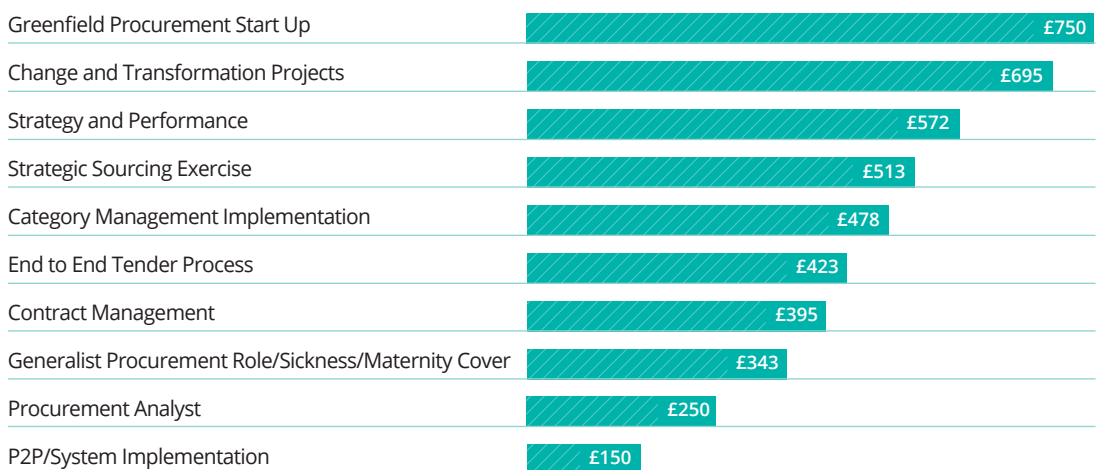


INTERIM AVERAGE DAY RATES BY SECTOR

KEY ■ Private Sector ■ Public Sector



INTERIM AVERAGE DAY RATES BY PROJECT



We are once again seeing the gender pay gap closing for procurement interims, a positive trend that we hope will continue in the coming years. In terms of average day rates across sectors, our results highlight a significant difference between the Public and Private Sectors. This is likely due to strong competition for talent between organisations, especially within the Private Sector. As IR35 reforms have been paused in the Private Sector until April 2021, this gap may well remain between the sectors for another year.

Scott Dance
Director, Hays Procurement & Supply Chain

CONCLUSION

Following my first full year in this role the focus on attracting and retaining highly skilled Commercial people means that, as a profession, we need to continue to ensure appropriate reward and pay is at the forefront of our minds.

However, we should also remember that 'people do business with people'. Whilst the digital enablers discussed in this report will all play their part in improving the effectiveness and efficiency of organisations, and of procurement and supply chain functions, the need for effective social and emotional skills is paramount.

That's no eureka moment or rocket science, I hear you say. And I concur. It has been talked about for 20+ years. However, being emotionally intelligent is now a prerequisite rather than a differentiator. Effectively influencing and managing internal and external stakeholders is just part of the day job. Simply having appropriate and up to date technical skills, qualifications and experience is not sufficient to be successful as a procurement and supply chain professional. We also need appropriate and up to date soft skills – without sacrificing any commercial acumen organisations expect from us.

This combination of skills, knowledge and experience will enable us to engender a mentality of customer centricity, of value creation, of service provider, of strategic contributor. Speak the language of business – not just procurement and/or supply chain. Be authentic, credible and trustworthy. Be effective practitioners delivering on our commitments. Collaborate. Be ethical with a strong moral compass. Be ambassadors for our organisations, sectors and profession.

The future is anything but dull for procurement and supply chain, and the opportunity to make a difference continues to motivate and inspire. For any in the profession unable or unwilling to continually develop appropriate soft skills and be change agents in an increasingly digital world, now is the time to consider a career change. Seriously.

Employer recognition

It has been pleasing to read that organisations continue to value and reward those in the profession through greater-than-average increase in remuneration and benefits – with a couple of minor exceptions.

Progress continues to close the gender pay gap, although clearly more work is required.

Professional qualifications like MCIPS/FCIPS also continue to be recognised through higher salaries. However, I would like to see employer recognition for Chartered status; those in the profession advocating their commitment to ethics and continued professional development.

Attracting and retaining talent

The talent attraction and retention conundrum continues with no obvious resolution in sight, despite improvements in flexible benefits packages. It is an increasing challenge for organisations grappling with ever-broadening expectations; from career change or 'not-ready-to-retire' Baby Boomers, to Gen Z with a whole different expectation of the employee value proposition. Oh, and then there's the race to nurture and attract Gen Alpha into the profession. What will their expectations be? Whilst digital literacy shouldn't be a challenge social and emotional interaction could be?

It was encouraging to read that progress is being made in procurement and supply chain becoming a career of choice – or at least a conscious job move.

In summary

We have much to celebrate and be proud of in the profession. Share and learn from each other through proactive participation in our rich and diverse professional networks and communities.

Don't rely solely on what mother nature provided for our soft skills or academic and professional qualifications for our technical skills. Be self-aware and accountable for continuing personal development, whether formal training courses, job moves, new projects, new qualifications, mentoring, coaching etc.

Maintain a strong moral compass and promote ethics and sustainability within our areas of responsibility and beyond.

Marc Hutchinson
FCIPS Chartered
CIPS Global Chair of Congress

HIRING FOR THE NEW ERA OF WORK

There are still many unknowns about the months ahead, but the procurement profession has shown its ability to adapt and to help keep organisations and nations moving forward.

Although uncertainty remains, skills shortages and the need for talented procurement professionals has not gone away, and organisations continue to interview and onboard new talent remotely. Employers should therefore ensure they are on the front foot when it comes to securing top talent to navigate the months ahead by identifying where their skills shortages lie and evaluating their hiring plans for the coming months as we enter this new era of work.

While technical skills will always be important for a procurement professional to perform their role effectively, the importance of soft skills must not be underestimated. Our guide shows that soft skills are in demand across all levels of seniority and include communication, supplier relationship management, influencing skills and internal stakeholder management. Given that these skills become more sought-after as an individual moves up the career ladder to more senior roles, professionals should ensure they are honing their soft skills throughout the entirety of their career.

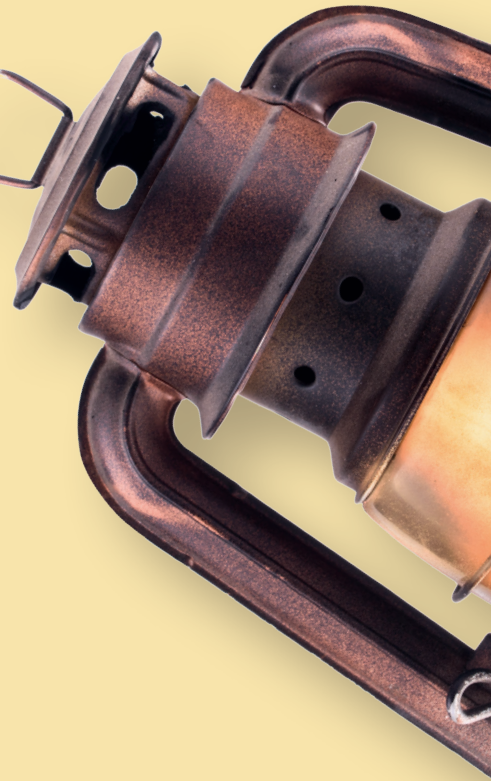
As soft skills become more valuable, hiring strategies should evolve to focus on finding the right soft skillsets for the team in order to continue being successful and to also help build more positive perceptions of procurement within an organisation. This last point is vital to help overcome the ongoing challenge identified in this report of the procurement function not always being seen as a strategic partner within an organisation.

Salary remains the most important factor to professionals when considering a new job, and with average salaries and interim day rates continuing to rise each year, employers should continue to benchmark their salaries and ensure they are competitive. However, the right salary must be offered in conjunction with other factors that are important to procurement professionals in order to become an organisation of choice amongst prospective candidates.

For example, professionals have stated that they want career progression opportunities and to work for a company that is committed to staff training and development. This indicates the importance of creating clear career progression plans within the organisation to help attract and retain talented individuals. Likewise, professionals also seek options for training and development, so organisations should ensure they effectively promote any opportunities to their teams.

Providing a tailored salary and benefits offering to procurement professionals can help to both retain and attract the best talent, something which will remain crucial to successfully steer through the months ahead.

Scott Dance
Director
Hays Procurement & Supply Chain



Transforming the profession



*MCIPS is the
global standard
for procurement
professionals*



*CIPS Global Standard,
benchmarking
procurement
professionals'
knowledge and
competencies*



*300 organisations
transformed
through CIPS
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Excellence
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*CIPS Ethics Test
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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

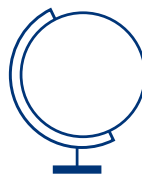
CIPS helps governments, development agencies, and businesses around the world to excel in procurement and supply, supporting them to improve and deliver results and raise standards.



Global Standard
freely available



Global membership
of 70,000



...in over 150
countries