

# Procurement Salary Guide 2022

United Kingdom

**Key trends and findings**



# Embrace the challenge

New skills, fresh perspectives and an agile mindset are key to professional development says **Group CEO, Malcolm Harrison**

There are no shortages of challenges coming into 2022 as the war in Ukraine and the post-Brexit administrative burdens overshadow the post-pandemic marketplace positivity. Procurement and supply professionals must further develop their plans to build more resilient supply strategies for their organisations.

Goods manufacturers must always produce the right quality and quantity, managing the ebb and flow of constantly unpredictable demand and readjust any sourcing strategies to reflect that. Even in normal times demand is difficult to predict with real certainty, but now business must get even more serious about investing in proper demand planning – that includes getting the right people, systems, and skills in place to do this effectively.

In a year of unwelcome records for inflation and supply chain disruptions, I can say that the competition for talent is yet another record set as the fight for key skills is fierce. I know it is an often-repeated message, but we live in unprecedented times and the challenge to keep up grows bigger every year. The most successful organisations are those that understand the new landscape in hiring and use research such as this guide to inform their next steps. So, in this latest report, what stood out?

I was particularly struck when I read the section on benefits. What matters most to the generations that are starting in their professional career or have been in it for a few years and are looking for their next progression may not be what you think. In this environment of inflation and rising wages, it is not just about money.

Though average salary increases of 4.9% in our 2022 survey are above the national average of 3.8%\*, younger professionals are increasingly

looking for organisations with values that chime with their own. Those organisations putting ethical behaviours, sustainability goals and focussing on an improved work-life balance will attract the skills, commitment, and energy of the skilled professionals they need. This is not to say that salaries are ignored – the higher than national average increase is a motivator. It is just one of several factors that have equal billing. If one of the four top challenges faced by employers is the competition for talent from other employers, then businesses must ensure that they get the balance right in terms of culture and values, benefits and compensation.

Individuals cannot sit back on their laurels and wait for career advancement and rewards to just fall into their laps. With new challenges come new skills needed to capture the opportunities that inevitably follow change and disruption. Professionals still need to compete to work for the best companies. To our own CIPS professionals I say, stay up to date. Keep pushing yourself to learn new things, acquire new skills, work more creatively, and keep innovation at the heart of what you do. Becoming Chartered is one step in staying ahead and I urge you to remain current as the sands of this global marketplace are shifting beneath our feet.

This definitive guide to the profession continues to be a must-read for all professionals planning their career with the best data and insights available, and for employers to find their pinch points in terms of skills and capacity. As the threat of a UK recession looms, we must stay alert and react to what's next as well as proactively managing resilient approaches to the next iteration of our supply chains.

**Malcolm Harrison**  
Group CEO, CIPS

\* Source: Growth in median average total pay excluding bonuses. Office for National Statistics (March 2022)



# Hiring for the future

Procurement is now not only increasingly valued, but also seen as essential to an organisation's success – as are talented professionals, says **Hays Procurement & Supply Chain Director, Scott Dance**

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

Life in lockdown might be a thing of the past for many of us, but the longstanding effects of the pandemic are set to last. It has changed our ways of working, our personal and professional priorities, and – in the case of procurement and supply chain – has transformed perceptions on a huge scale. The strategic significance of the function, and the role it's played in mitigating the impact of a global supply chain crisis, has become increasingly visible and consequently much more valued.

As a result, salaries in procurement are continuing to rise and have once again outstripped the national average, with over half of professionals receiving a pay increase. This is an encouraging trend, but as important a motivator as salary is, it is not the only driver for professionals when it comes to moving roles. Flexible working, sustainability and ethical practices are emerging as key incentives – professionals want to know an organisation's values match their own.

The increased spotlight on procurement as a strategic function has also impacted the skills required to drive it. Technical acumen remains critical, but there can be no substitution for

human judgement. Emotional intelligence is essential to both relationship management and negotiation, as well as data manipulation. It's important that we don't just understand what the data means, but how it can help give businesses their competitive edge.

Procurement has seen its fair share of unprecedented challenges over the past year. The flexibility and resilience of teams have been sorely tested, with the aftershocks of the pandemic reinforcing the importance of strategic thinking as well as accelerating the adoption of digital supply chains. Having the ability to extract meaning and value from data is also playing an increasingly important role in procurement, while the way social media has transformed the way information is distributed will help to shape future buying decisions, impacting the availability of labour as a result.

These are just a few of the trends we can expect to see transform the procurement function this year. We hope you find the insights covered in this report useful as you map your talent management strategy and plan for your own professional development.

**Scott Dance**  
**Director, Hays Procurement & Supply Chain**

[hays.co.uk/procurement](https://hays.co.uk/procurement)

# About this report

The CIPS Salary Guide 2022, sponsored by Hays, is an authoritative and indispensable tool for procurement professionals and employers. It enables them to:

- Monitor the changing perceptions of procurement
- Benchmark salaries and bonuses across different roles and sectors with up-to-date figures
- Identify career aspirations and key motivational influences
- Plan effective strategies for attracting, retaining and developing talent

This 2022 edition extends the value of previous guides by presenting data from the largest-ever sample of professionals, alongside case studies and insight from leading professionals.

The research that underpins this report took place between mid January and late February 2022. Over 7,000 professionals globally completed the detailed and comprehensive questionnaire covering careers, salaries, bonuses and aspirations as well as perceptions of the profession. We've analysed the results, spotted trends and changes and presented the insights in a clear digestible format with an emphasis on accuracy and usefulness.

Where comparisons with 2021 are illuminating they are included but given each year the research comes from a different sample of respondents in a fast-changing environment, year-on-year data is not always meaningful.

Figures in the report are rounded, which may result in apparent discrepancies. Where a particular sample or subcategory has a low base of respondents and interpretation needs to be cautious, we've added an asterisk.

Throughout this report, different levels of professional seniority are summarised into five levels of competency. These are described here, along with examples of job roles that fall into each group.

## This report is divided into five sections:

[Click text to go straight to section](#)

### 1 Perceptions, challenges, skills and opportunities

### 2 Salaries, bonuses and benefits

### 3 Talent management

### 4 Diversity 2.0: How to seize the opportunity of greater ED&I

### 5 Interims

## Competency level and typical job roles

#### Advanced Professional

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

#### Professional

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

#### Managerial

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

#### Operational

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

#### Tactical

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

1

# Perceptions, challenges, skills and opportunities

What's changed over the past 12 months, how do organisations perceive our profession and how do those challenges convert into opportunities?

**The one thing you can say about the past couple of years so far, with any conviction, is that it's not been dull. Whether it's the pandemic, conflict in Europe or macro-economic shifts, these are uncertain times.**

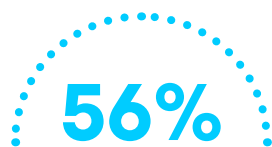
And it's in these uncertain times that the procurement profession shines brightest. Private sector, public sector and the charity/not for profit sector now understand the fundamental importance of procurement – how procurement impacts many aspects of their performance – and it's not just about keeping the show on the road in times of crisis.

Our 2022 survey reveals that, increasingly, procurement is viewed as central to longer-term, strategic thinking. As procurement and supply professionals get closer to the board,



**There have been huge shifts in the perception of the profession over the past two years. Now we are living with Covid, the profile of procurement remains strong. It means a whole new focus on supply chains; the procurement profession has never been so much in demand; the profile has increased hugely, in no small part due to the way teams have risen to the challenges and demonstrated the true value that procurement and supply professionals bring.**

**Malcolm Harrison, Group CEO, CIPS**



**of employers demand MCIPS, or working towards, when hiring**

CEOs and CFOs realise their value in running successful organisations, and so the range of soft skills procurement professionals need widens.

This year, over two thirds of respondents (67%) say that directors and heads of other departments have a good understanding of the value procurement brings. Procurement professionals have offered significant strategic support to the problems the past two years have presented.

#### **The new landscape**

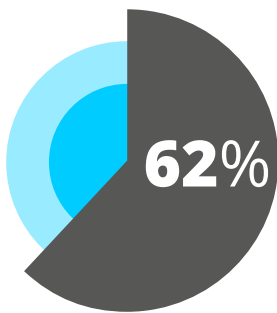
With greater power comes greater challenge – and this year our survey

of over 7,000 procurement professionals shows hiring and keeping talented professionals has become an increasing concern for procurement leaders. This may make recruitment harder but it does mean those making their way in the profession, either starting out or wanting to move and grow, have more opportunities.

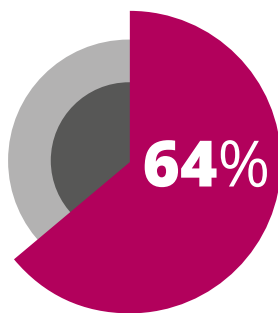
Sustainable and ethical supply chains have increased in importance as environmental policy and basic global urgency take hold. Building networks, staying local, increasing social value, diminishing a reliance on just-in-time models – this is the value professionals deliver, which has a significant business and societal impact. It's an exciting time to be part of our profession, particularly if you're agile and innovative.

# How organisations view procurement

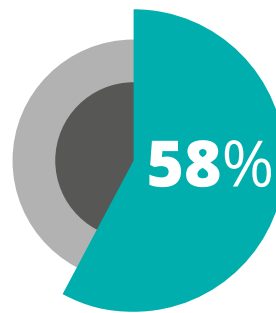
## The profession's perception shift over the past year



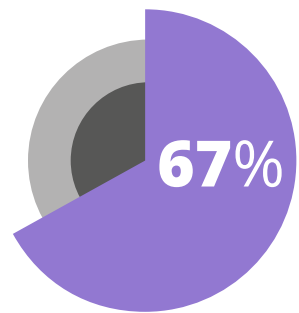
Across all sectors



Private sector



Public sector



Charity/not for profit sector

It's all heading in the right direction: procurement professionals feel their status and standing within their organisations is improving year-on-year.

### Public acknowledgement

Whether it's the superhuman efforts to keep the UK running through the turbulence of a pandemic, global supply-chain shortages and now international conflict – or high-profile procurement triumphs, such as the national



**There are now public conversations about supply chains and procurement; ministers, prime ministers and even our own Queen have spoken of the importance of procurement and the criticality of the roles.**

**Malcolm Harrison, Group CEO, CIPS**

Covid-19 vaccine delivery – the majority of professionals (63%) tell us they are more valued, with perceptions improving over the past year.

The more strategic the role, the greater the perceived value: over two thirds of procurement directors and department heads tell us their profile has risen. On a more pragmatic level, a majority (53%) do report that procurement gets involved in a project from the start – but there's clearly room for improvement.

Around a third of procurement professionals say that procurement isn't involved at the start of projects.

### Recognised procurement value

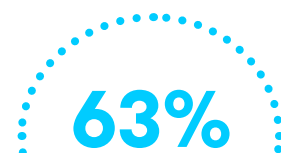
There is a striking consistency in the importance of skills seen across all sectors, with procurement valued at 62%. The charity/not for profit sector reports higher levels of recognition, with three-quarters



**Soft skills are needed to not only communicate the procurement process successfully but also explain why procurement is important and how they can help every stakeholder.**

**Malcolm Harrison, Group CEO, CIPS**

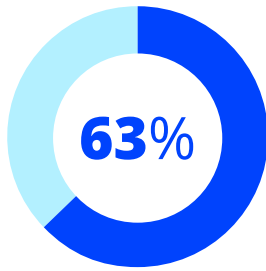
(75%) saying senior managers (that's directors and heads of other departments) understand the value of procurement compared with 66% in the private sector.



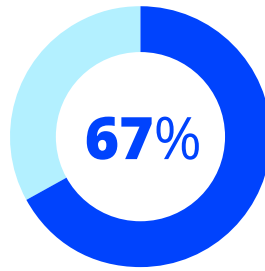
**63% of professionals feel they are valued, with perceptions improving over the past year**

# How organisations view procurement continued

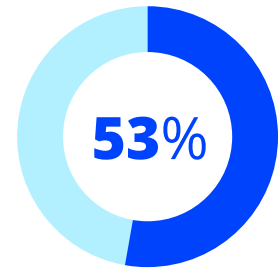
## How procurement is viewed – agreement with statements



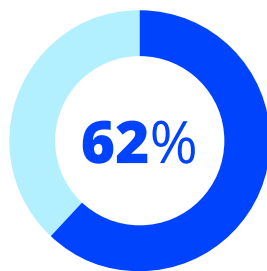
Procurement is very much valued within my organisation



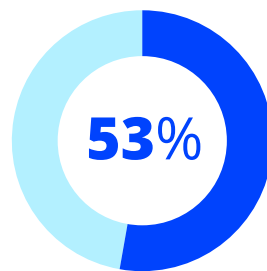
Directors and heads of other departments in my organisation understand what procurement specialists can offer



Staff in other departments in my organisation understand what procurement specialists can offer



Perception of procurement has improved in the past 12 months



Procurement is engaged from the start of a project

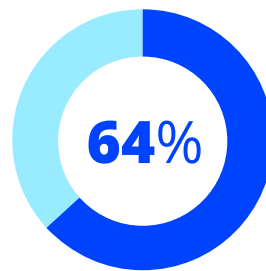
### Digital transformation

Our survey reiterated that technology is an enabler for almost all respondents (95%), although the reasons for its adoption do vary.

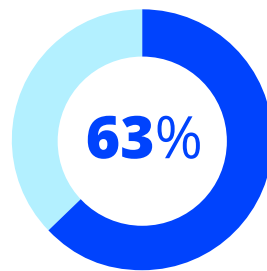
Efficiency is top of the list, with nearly two thirds (64%) saying this is why they've adopted technology, but market forces are also at play too: increasing the value of an existing product or service (47%) and changing customer demands (46%) are also in the top five reasons for adopting or developing technology.

As organisations recover, the right technology implemented the right way with the right support and training offers a competitive advantage.

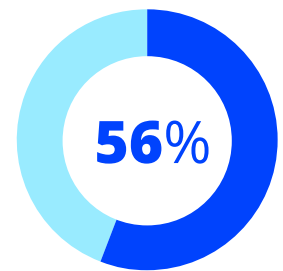
### Top five reasons to adopt or develop technology



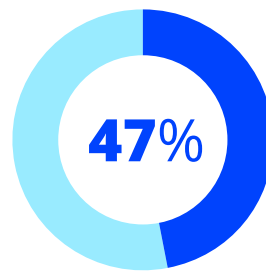
1. Pressure to drive operational efficiency



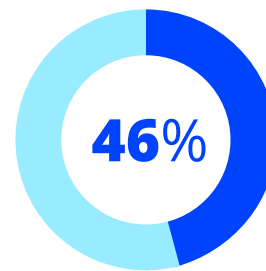
2. To remain competitive in the marketplace



3. Minimise internal complexity



4. To increase the value of existing product/services



5. Changing customer demands

### READ: The skills needed for digital transformation

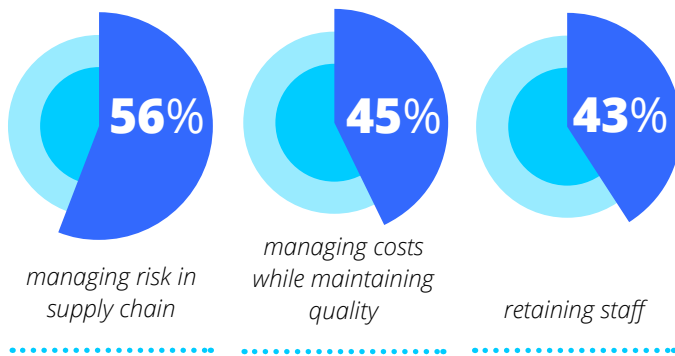
*The technical and soft requirements as technology changes*



# Key challenges by sector

There's one pain point that the profession has increasingly felt over the past year. Finding and retaining talented procurement professionals.

## Top three main challenges for procurement in next 12 months across all sectors



We look at this trend in more detail in section three. The survey reveals our profession has had its own great resignation. For the first time, retaining and attracting the right people are in the top six of private and public sector challenges.

In many respects, it's good news: interest in procurement is growing. But it does make finding talent and hiring tricky. Scott Dance, Director, Hays Procurement & Supply Chain, knows the scale of the current hiring challenge: "Competition for talent is fierce. Employers will need to act fast to secure the professionals they need to help their organisations navigate the challenges to come, meaning hiring managers should be briefed as a matter of priority as soon as a vacancy is identified. With many candidates often having up to four or five job offers to choose from, speed-to-hire is more important than ever."

Interestingly, the survey does suggest the charity/not for profit sector has avoided this issue – or at least it hasn't cropped up as much yet. It's not in the top-six challenges procurement professionals face, with only 28% of respondents mentioning it.

The other leading concern is, again, managing risk in the supply chain, which appears in all three top-six lists, as it did last year. This is unsurprising, considering the rafts of uncertainties we've endured this decade. Ethical supply chains rank nearly twice as important in the charity/not for profit sector (42%) as public and private (22% each) – and in both public and charity/not for profit organisations, there's a struggle for strategic recognition.

## Top six challenges by sector

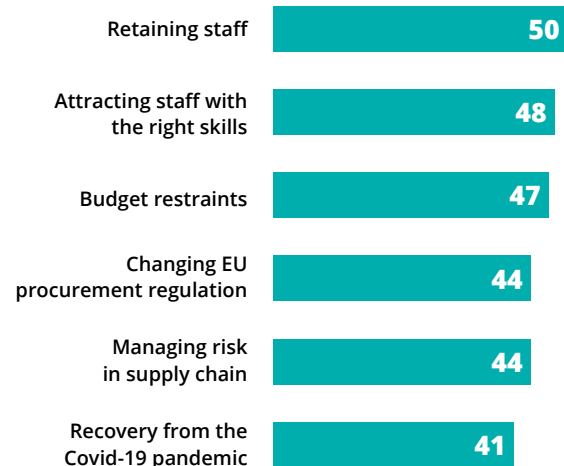
### Private sector

%



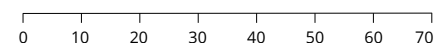
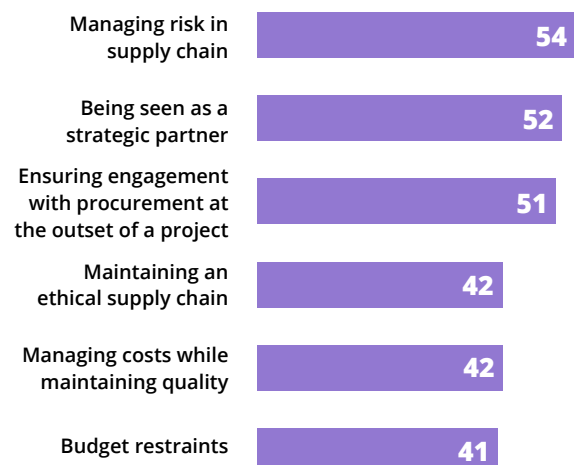
### Public sector

%



### Charity/not for profit sector

%



# Key skills by sector

Malcolm Harrison, Group CEO, CIPS, says that our response to the challenges of the past two years has been an all-round effort that's upped the importance of soft skills, ahead of cost cutting.

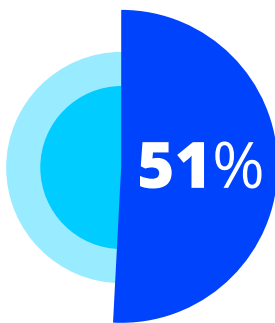
"What is especially gratifying is to see positive initiatives and not just a myopic focus on savings – although delivering value will always be important. Organisations are paying suppliers more promptly – even early – to ensure resilience and the survival of SMEs. Sectors such as construction have worked more collaboratively to give better visibility of demand to suppliers, to help them restart their operations and avoid damaging long-term shortages; there has been more focus on employee well-being and mental health."

## Relationships are the key

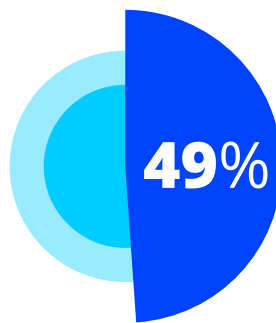
This year's survey results bear the above observations out. Around half of all responses mention supplier relationship management and communication, with internal stakeholder management also scoring high. Soft skills dominate the list.

## Top six skills in procurement

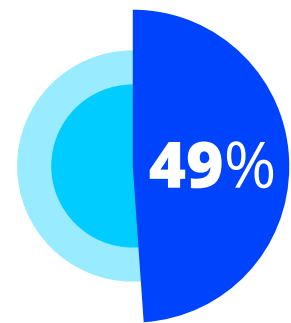
### 1 Supplier relationship management



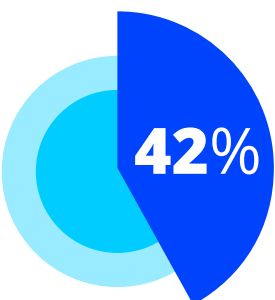
### 2 Communication



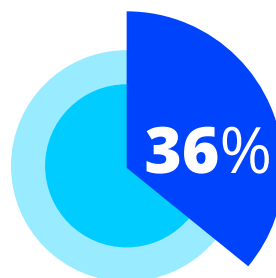
### 3 Negotiation



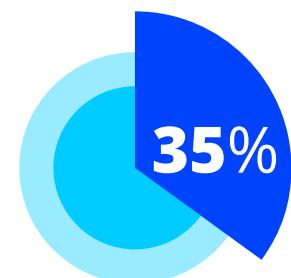
### 4 Internal stakeholder management



### 5 Influencing skills



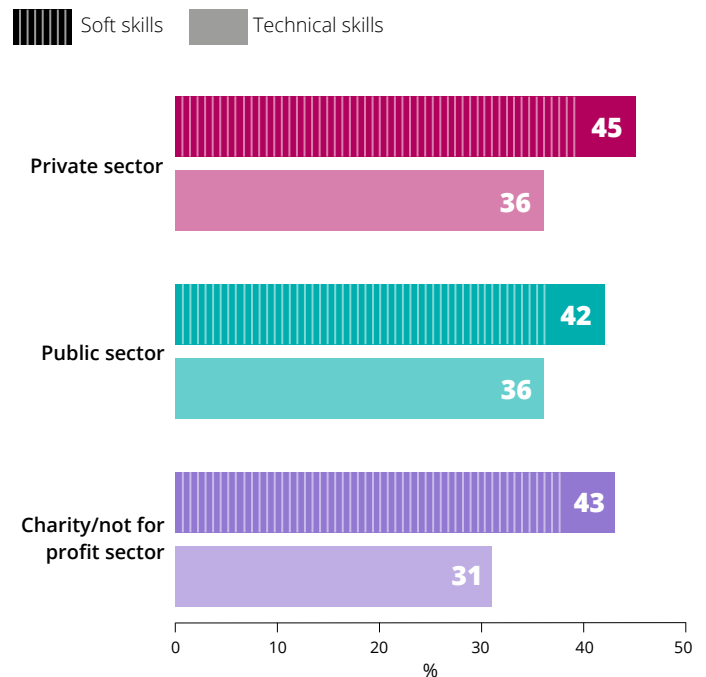
### 6 Sourcing



## READ: Procure new skills

Our Procurement Skills Training courses will help you to accelerate and supplement your learning

## The average rating in importance of soft and technical skills



## Key skills by sector continued

Professionals need sound technical skills – across all sectors and job roles – that’s a given. We can’t build credibility or business confidence without those. What’s increasing in demand is the need for soft skills on top of the more technical training, development and qualifications. That successful blend of soft and technical skills is what’s driving the value of procurement in the eyes of leaders.

There are variations between sectors, not least because of the nature of the work: no one is surprised to discover that private sector organisations prioritise negotiation skills, for instance.

Supplier relationship management headed the list across all sectors, but only hit the top of the charts because of its importance to 57% of the private sector. Professionals in all sectors agree about the relative importance of internal stakeholder management – and procurement professionals’ lived experiences of work can testify to this.

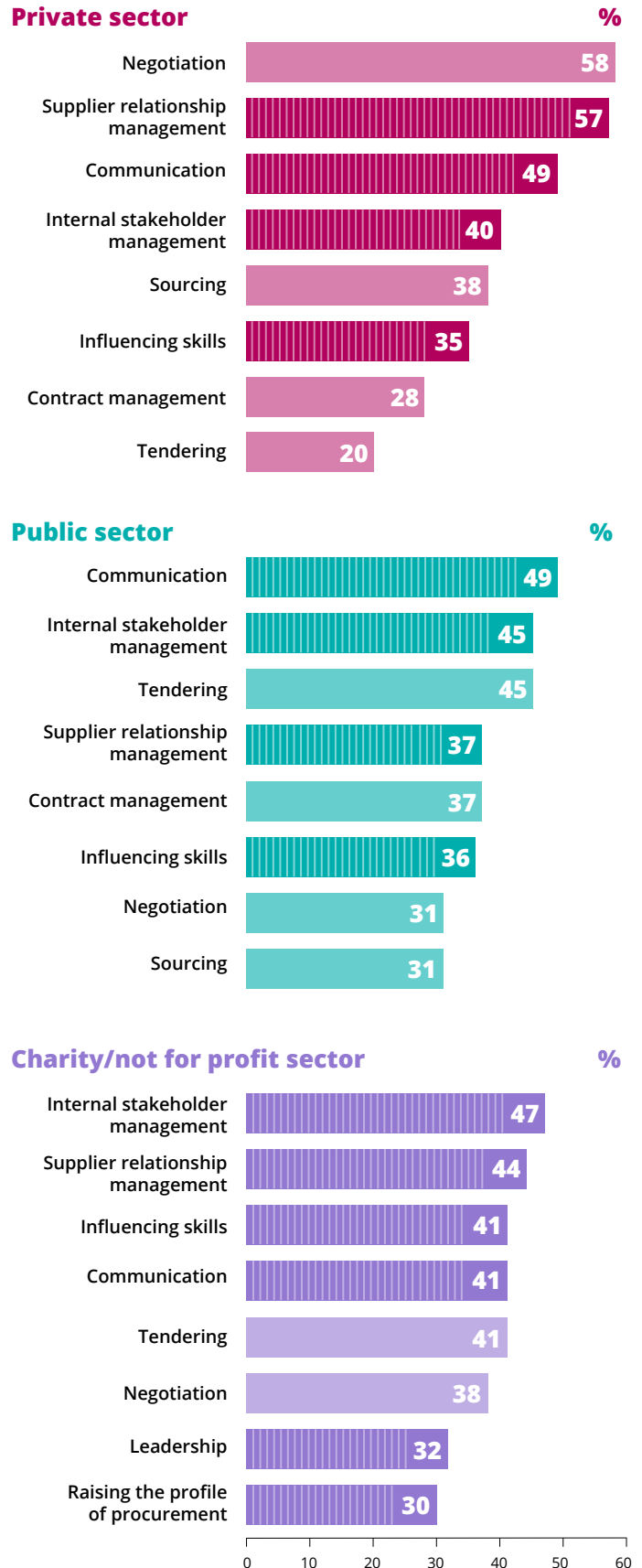


**The strong emphasis placed on negotiation by the private sector is linked not only to the importance of getting the best price, but also better value from a partnership. Procurement professionals are seen as vital to the building of more strategic, long-term relationships in order to create the best value from a contract, whether this takes the form of an improved social profile or a better commercial deal. Communication, meanwhile, continues to take precedence across all sectors, but particularly in the public sector, where a continued preference for remote and hybrid working practices requires an adeptness at tailoring communication – and the message being presented – for a range of stakeholders across a multitude of platforms.**

**Scott Dance, Director, Hays Procurement & Supply Chain**

## Key skills considered important by sector

Soft skills Technical skills



# Importance of key skills by job level

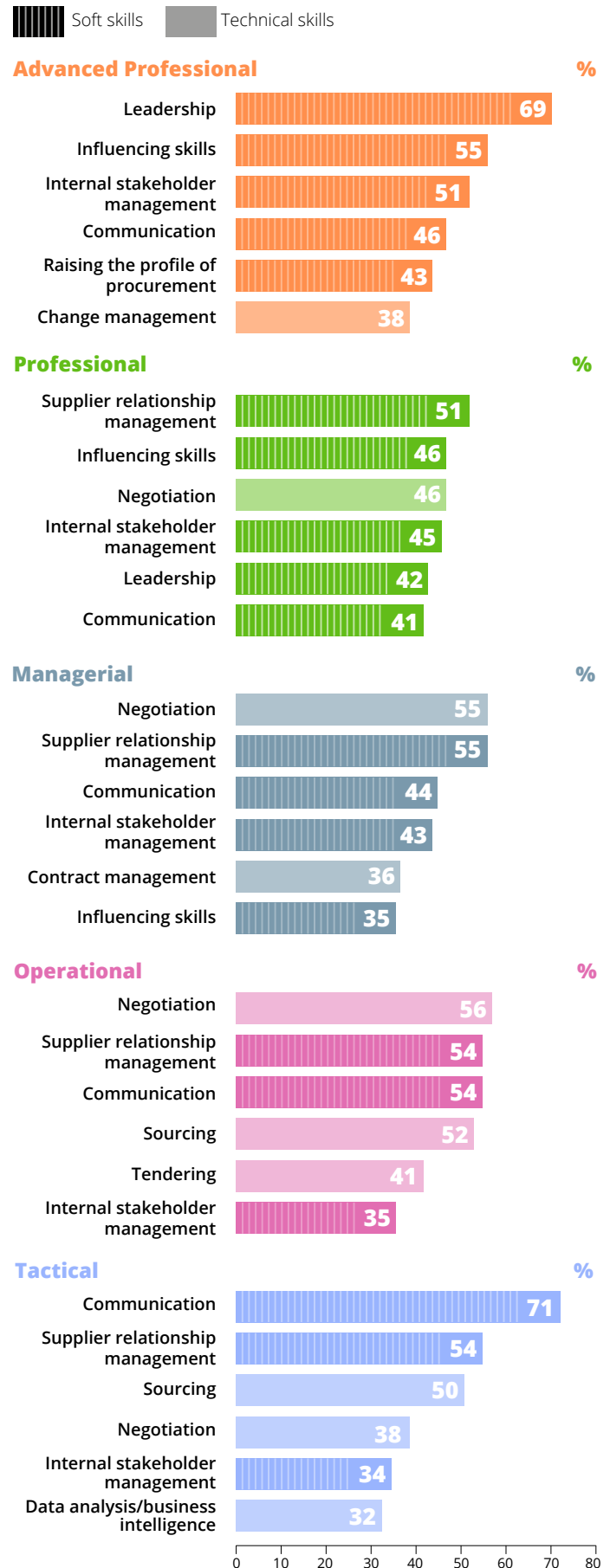
As broader businesses lean more on procurement departments for strategic insight and support, the value of soft skills increases. The majority of top-five key skill requirements at all levels this year remain about building relationships.

All job levels require soft skills. It's not a surprise that our leaders value leadership highly, whereas sourcing is more of a tactical task. And there's uniformity between these results and last year – any pandemic-driven shifts have already happened.

That said, there is the odd significant movement: at professional level, leadership is increasingly valued (from 35% in 2021 to 42% this year). Communication skills come in sixth at 41% but underpin a lot of the other top soft skills such as negotiation, influencing and supplier relationship management.

Sourcing skills at operational level have made a significant shift from 42% to 52% – an emphasis on ethical supply chains felt at procurement's most pragmatic level. And negotiation heads this level's requirements – up from third.

## Top six most important skills by job level



## Year-on-year skill shifts by job level



## CASE STUDY



# The dramatic change in the perception of procurement

Working on the front line of the vaccine delivery programme during the pandemic stretched processes and called for creativity and collaboration, says **AstraZeneca's Savita Mace**

"The pandemic elevated the profile of procurement and the supply chain, to be regarded as vital as Operations, Finance, and all other functions," says Savita Mace, FCIPS; MSc Director – Supplier Management at AstraZeneca and visiting Lecturer at the University of Sussex.

She says that every business, small and large, faced shortages of people and raw materials, along with increasing costs. This situation meant every business had to do a "temperature check" on its relationship with its supply base: it quickly became a seller's market for some high-demand commodities. Businesses needed to invent new revenue streams and speedily align with suppliers to co-create innovative products, while keeping staff safe.

AstraZeneca quickly put in place agile mechanisms with vendors, including contractually and commercially, to make things happen fast. As Mace explains: "For larger businesses, onboarding suppliers could typically take weeks or even months in some complex cases.

"Staying agile is making sure you have the right infrastructure, the right teams in place and the right relationships with suppliers at the right levels."

### **The intermediating role of purpose**

Businesses have learnt that working in a more agile way means creating deep supply-based connections in risk mitigation, transparency and

breaking down communication barriers. The expectations of stakeholders in a post-pandemic world is embedded supply-chain resilience – that procurement and supply-chain functions empower their suppliers to innovate.

Mace says: "Innovation and empowerment were the two main ingredients used by many companies to develop products, services and in the case of AZ, a viable vaccine to save lives."

Savita said that the future P&SM professional will need to sharpen their depth rather than breadth in risk management. As the lead for the CIPS UK membership committee, Mace sees many companies in the UK now focus on the risk-versus-costs paradigm, and security of supply. One of the positive lessons learned and translated into action is that risk management is virtually at the top of every corporate agenda with real investment in tools and people across all sectors.

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## The least we could do was make a decision

**Mace cites a lecture for students studying for their Masters in Supply Chain and Procurement with colleagues Tonya Villafana (Vice President, Global Franchise Head, Infection at AstraZeneca) and Per Alfredsson (Senior Vice President, Global Biologics Operations at AstraZeneca) – her colleagues who led the vaccine development and operations.**

**Villafana and Alfredsson discussed the creation of a vaccine in less than 12 months, giving advice around supply chain scaling and resilience: for example, having to establish manufacturing capacity in 15 countries and 25 different manufacturing sites to supply vaccines to every region of the world as quickly as possible meant relying on agility, speed and trust in AstraZeneca's supply chains.**

**They said: "We engaged our strategic suppliers with limited information and said: "This is the purpose, this is what we want you to develop, but we can't give you all the details yet. We can't give you your contract yet but are you onboard?" For many companies, in every sector, meeting every day to make decisions became the norm. This even applied to those creating vaccines.**

**They knew that time wasn't a luxury, the delays and risk weren't counted in money or start-up costs, the risk was in lives. The onboarding went from weeks to days. Villafana said that operations, procurement and the scientific community in AstraZeneca met every single day, sometimes twice a day: "And the rule was you do not leave the meeting until decisions were made."**

# 2

## Salaries, bonuses and benefits

The procurement profession is riding high and the results, insights and trends from this year's survey back that up.

**Procurement is a great profession to be in. With average salary and average salary increases above the national average this year, employers are continuing to reward professionals with bonuses and increased salaries for the key role procurement plays.**

However, it's not only salary that is an important motivator for procurement professionals. A significant driver, particularly among younger people, is that an employer's values match their own, often in areas including work-life balance, sustainability and ethics. And trends indicate that as procurement professionals rise in their careers, many feel driven to operate more strategically, finding value in delivering initiatives, from vision to reality.

#### **Average pay increase**

That said, salary does matter and



#### **average salary increase**

always scores highly on procurement professionals' rankings of their motivations and aspirations. And this has been a good year. Some salaries far exceed expectations, according to sector analysts.

Bonus levels are rising too, with more people eligible and, in some sectors, receiving an increased percentage of annual salary. This reflects greater buoyancy across most industries compared with 18 months ago, as well as an increase in understanding of the profession's contribution to company success.

When it comes to benefits, flexible working, hybrid working and working from home are now permanent features – a trend that has continued from last year. The era of five days a week in the office as a norm is disappearing. There are implications in this for employers and staff across the country and not just in London, where opportunities and remuneration are highest – they can now seek talent across a much wider area. Employees working two days a week in the office makes longer trips to the office more manageable and so brings in a wider geographic talent pool.

There are also encouraging signs of reductions in the gender pay gap at some levels. And while reporting on the ethnicity pay gap is not mandatory, there are positive indications of a greater uptake.



**The considerable salary increases we've seen throughout procurement this year are a reflection of the invaluable support the function has provided to organisations. A perfect storm of labour shortages, global supply chain constraints and soaring energy prices caused both by the lingering effects of Covid-19 and the UK's exit from the EU have all exposed the fact that demand has recovered from the low levels seen during the pandemic much faster than supply. As a result, the identification and mitigation of supplier risk has become a clear priority, and for this, organisations must pay for the right talent, with the right skills and experience.**

**Scott Dance, Director, Hays Procurement & Supply Chain**

# Salaries in 2022: the headlines

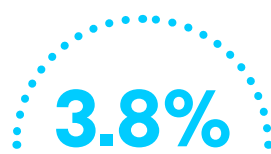


£49,743

**overall average salary for procurement professionals in 2022**

Salaries for procurement professionals continue to rise – and they're rising above the national average. The trend experienced in 2021 with all its mitigating factors has, according to the results, been sustained.

The big headlines are that the average salary for procurement professionals is £49,743, compared with £47,435 in 2021 – that's respondents reporting a 4.9% average increase, on top of the 5% achieved through the previous 12 months. Since the start of the pandemic, the average salary has risen over 10% accumulatively.



3.8%

**national average pay increase\***

Over the past 12 months, this outstrips the national average of 3.8%, according to the Office of National Statistics reporting across a similar period. Naturally there are variables in the details but as a broad indicator, this is a striking difference – reported before bonuses are taken into account.

According to results, the proportion of procurement professionals reporting that they've received a salary increase over the past year is 59%, that's a healthy majority of respondents and a rise on 54% in 2021.



4.9%

**average procurement professional salary increase**

It's interesting to see particular roles that have had significant rises. A Senior Category Manager's salary has increased from £58,900 to £64,300 – a 9.2% increase over the past year. This role highlights the demand and reward for specific skills and experience.

When compared with the most significant challenges the survey reported, this aligns: lack of sector skills is a leading concern for employers. This says organisations recognise talent and skills – and talented, skilled professionals are sought after and can command a premium.



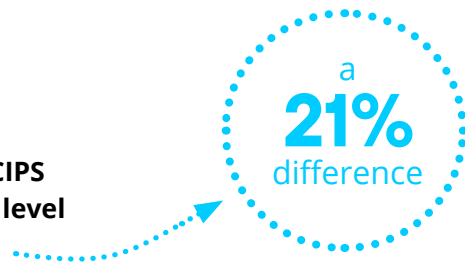
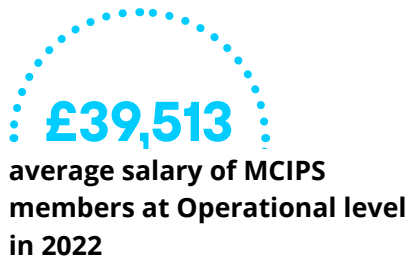
**There can be no doubt that procurement is a changed industry, and the skills critical to success have changed with it. This demand for certain skills is having a demonstrable effect on pay, with digitally literate candidates who have an understanding of data analytics especially well placed to secure a competitive salary. Understanding what data can do, and having the ability to extract meaning and value from it plays an important role in being able to map the future and adapt to change. Operations are being transformed by the increasing digital literacy of leadership teams, with more and more mobile apps and web platforms being used to streamline processes in the supply chain. A hybrid skill set, which combines technical understanding with effective supplier relationship management and influencing skills, will become increasingly critical to success for ambitious professionals looking to progress in procurement.**

**Scott Dance, Director, Hays Procurement & Supply Chain**

\* Source: Growth in median average total pay excluding bonuses. Office for National Statistics (March 2022)



# The impact of MCIPS



Globally recognised, MCIPS demonstrates a commitment to ongoing professional development and relevance, promoting best practice and excellence – this mindset is very much in demand among employers, who are always in search of self-motivated and talented staff.

As we might expect, organisations pay more for candidates with professional qualifications – this has a significant impact at Professional, Managerial and Operational levels where those with MCIPS are more likely to get a pay rise over the past year, versus those without. And this is a trend that runs upwards: those with FCIPS are more likely to receive higher salaries than those without. The benefits of formal CIPS qualifications carry through to the highest seniority – holding the MCIPS designation is not only an investment in the individual, but also for the

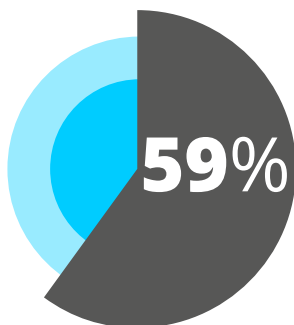
organisation they work for. Those with MCIPS have a competitive advantage and can command a higher remuneration.

Besides higher salaries, MCIPS offers a more positive career outlook and distinct advantage over those without, with 56% of employers preferring MCIPS (or studying towards MCIPS) when recruiting. The technical knowledge from a qualification is the likely driving factor behind this – as well as demonstrable dedication needed to achieve the designation.

Professionals motivated to invest time in further study show ambition and a desire to succeed. Similarly, upgrading to Chartered status (free for eligible MCIPS) further shows that drive for continued professional development. Employers clearly respect MCIPS-

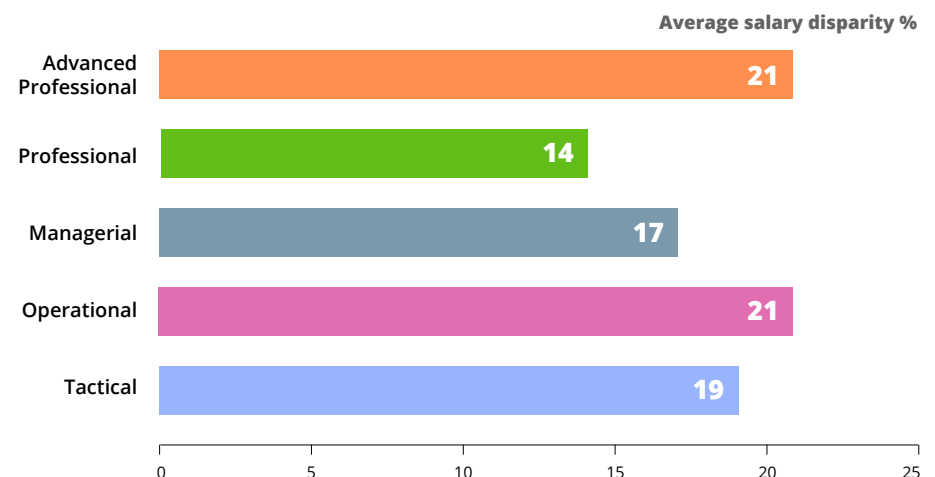
accredited professionals, as the difference between the higher earnings of MCIPS members compared with those without MCIPS shows. Also, the disparity, or MCIPS uplift, is measurable across all job levels, with the MCIPS designation having its biggest impact at Advanced Professional and Operational level (average uplift of 21% each).

Overall, those with MCIPS report a significantly higher annual salary (£61,648 v £40,702) – yes, senior professionals are more likely to have the qualification but that is one of the factors that has helped drive their careers. Our survey also showed 59% of MCIPS professionals reported a salary increase over the past 12 months, against the non-MCIPS average of 56%. Again, you're more likely to receive a pay rise with MCIPS.

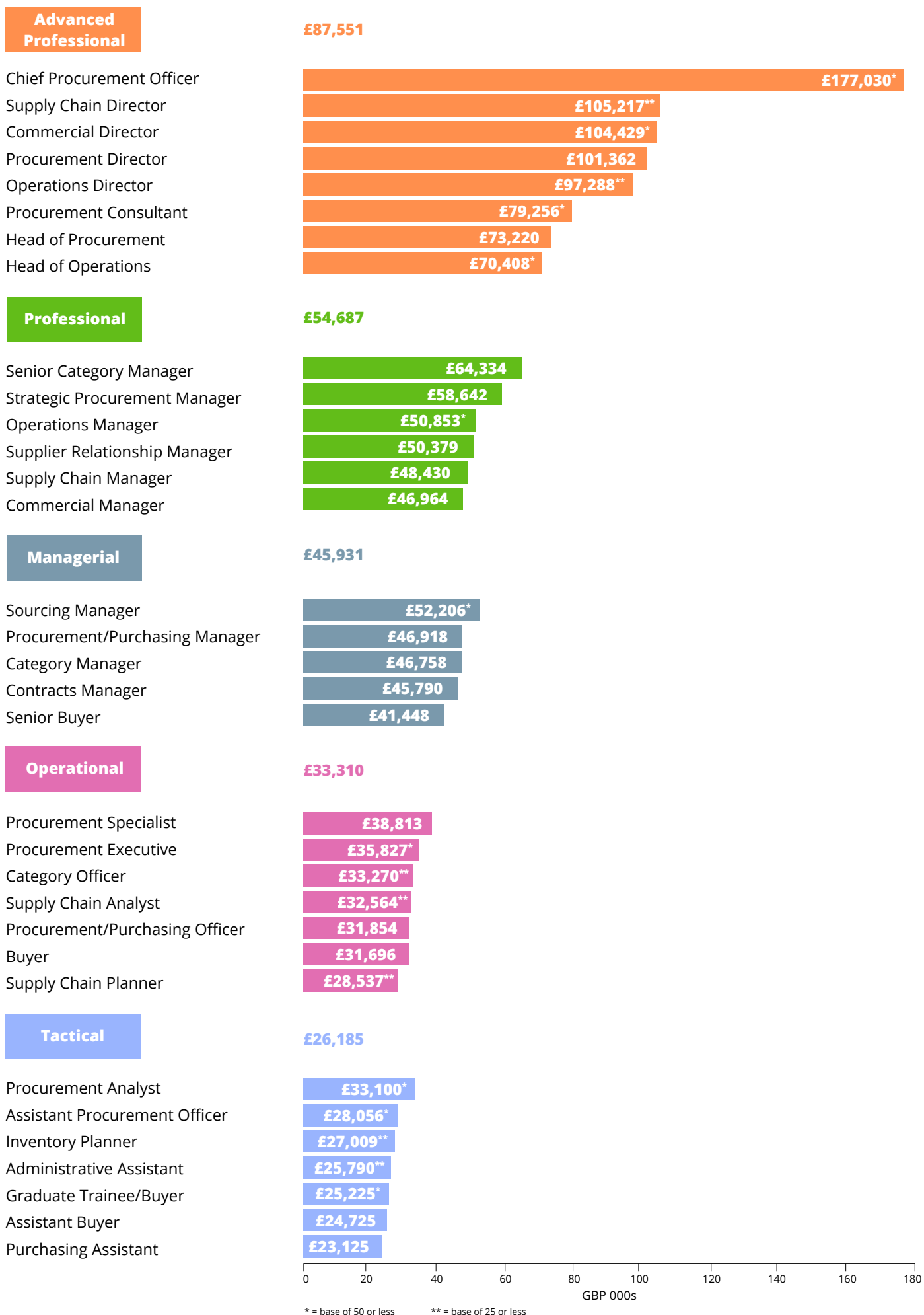


of MCIPS professionals reported a salary increase over the past 12 months

## The higher earning power of MCIPS members by level



## UK average salary by job title



# Salaries by region

**£65,282**

average salary in London across all sectors

As with last year, London is the region paying the highest average salaries to procurement professionals. At £65,282 compared with £58,758 in 2021, it also saw one of the highest percentage rises at 11%.

However, the largest percentage rises were outside of the capital. If we look at the salaries\* our survey recorded, Wales, Scotland and Northern Ireland reported average salary increases of 17%, 16% and 15%, respectively. London was the only region in England to record a double digit percentage rise.

If regions are ranked according to the bonus paid as a percentage of salary, London and Scotland head the list, though closely followed by some of the English regions. While average salaries in Yorkshire and Humberside are the lowest, bonus payments of nearly 9% of salary put it among the regional leaders.

\* We've calculated the average difference between salaries using 2021's and 2022's regional salary figures. This differs from survey respondents' reported salary rises, which feature later in the Guide

## UK average salary by region

Region	2022	2021	Difference in salary % rise
London	£65,282	£58,758	11%
South East	£52,698	£48,760	8%
Scotland	£48,688	£42,009	16%
West Midlands	£48,116	£44,365	8%
North West	£46,582	£45,713	2%
East of England	£46,370	£46,962	-1%
Wales	£44,135	£37,718	17%
East Midlands	£44,012	£42,530	3%
Northern Ireland	£43,841	£38,084	15%
South West	£43,736	£40,201	9%
North East	£42,940	£39,798	8%
Yorkshire and Humber	£41,672	£42,203	-1%

## % of respondents receiving a salary increase by region

Region	% receiving a salary increase	Average increase %
Scotland	68	6%
East of England	66	6%
Yorkshire and Humber	62	6%
South East	61	6%
West Midlands	60	7%
North West	60	7%
North East	58	6%
Northern Ireland	58	5%
East Midlands	57	7%
Wales	56	6%
London	54	7%
South West	52	6%

# Salary by sector

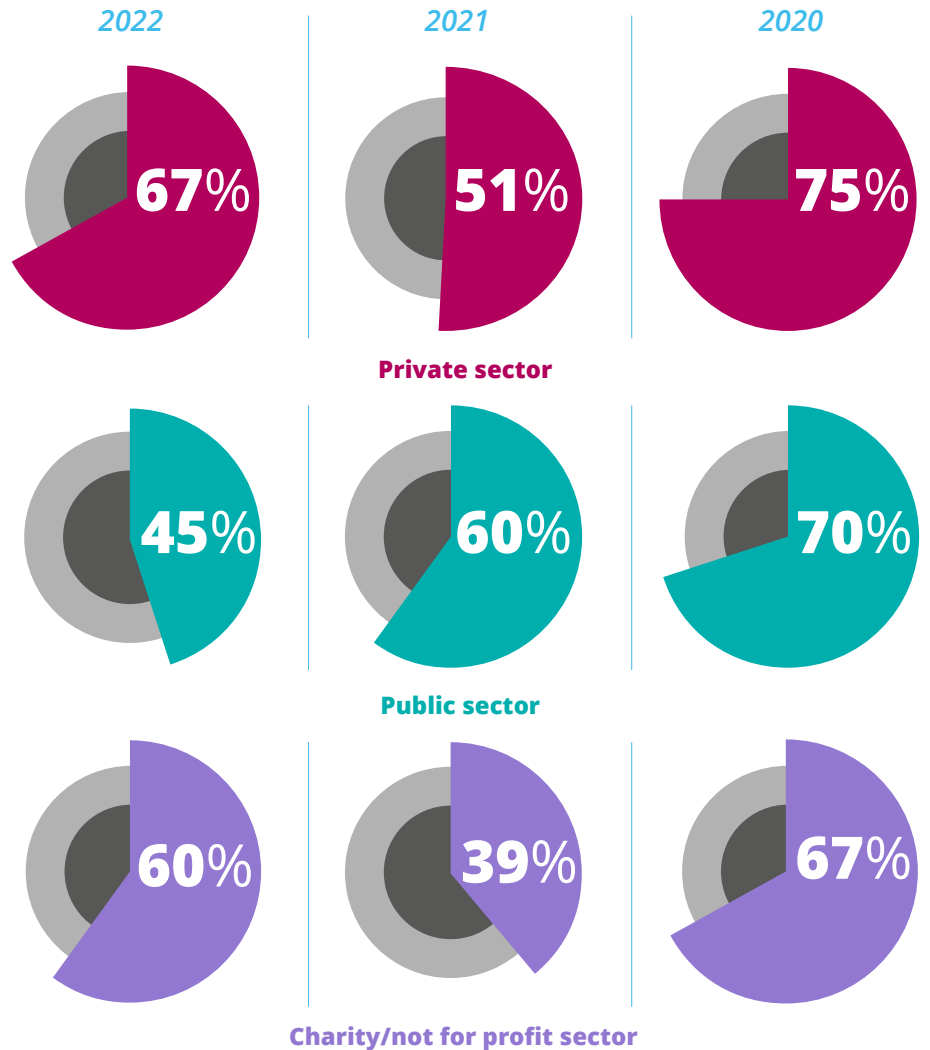
**67%**  
received a pay rise in the private sector

The focus has moved back to the private sector this year, with 67% reporting a pay rise, compared with 45% in the public sector. While in the charity/not for profit sector 60% report receiving a pay rise, compared with 39% in 2021.

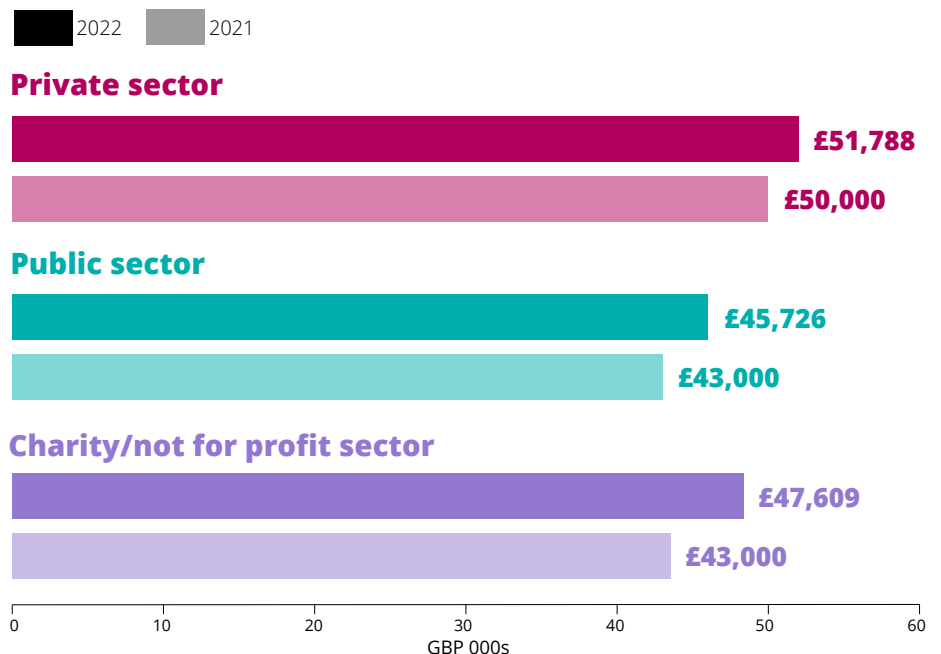
Fluctuations in cycles of pay rises are expected but they're harder to predict in uncertain times, particularly following the pandemic. As noted elsewhere in this report, salaries are not the only key metric; procurement professionals are assessing the value of wider employment packages.

This is apparent in the private sector, where the average salary has risen less than in the other two sectors. Put simply, salaries in the public sector and charity/not for profit sector are catching up, suggesting that the increased competition between sectors noted in the 2021 Salary Guide is continuing.

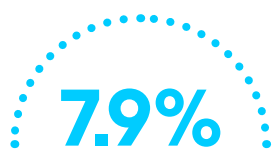
## % of procurement professionals receiving salary increase



## Average salary by sector



# Salaries: Private sector breakdown



## average pay rise for procurement professionals in the construction industry up from 5.4% in 2021

Towards the end of 2021, the UK construction industry began to report an end to the worst of the supplier delays that had plagued the industry for months.

As availability of construction products and materials turned a corner and suppliers caught up on work backlogs, respondents in the

industry were also reporting the highest average salary increases in the private sector, for the second year.

This year's increase, at 7.9%, was narrowly higher than the healthcare industry average increase of 7.8%. These two industries were, like many others, deeply affected by the pandemic. Crucially, they were among those that kept working throughout the lockdowns (if under heavy restrictions). And the salary increases are in line with this.

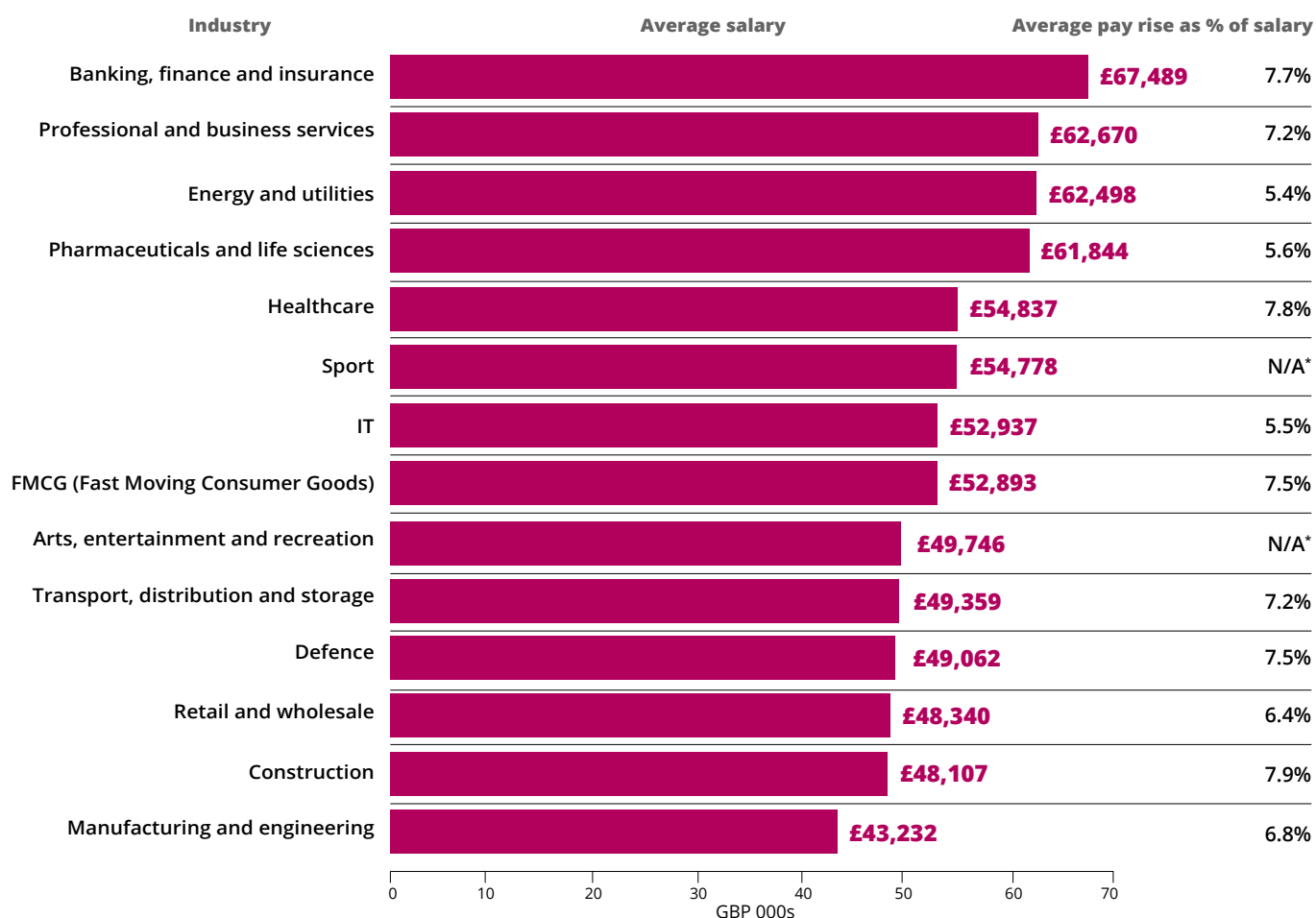
For actual salary levels, the banking, finance and insurance industry

topped the rankings with an average salary of £67,489, leapfrogging professional and business services that held the top spot last year.

Salaries are buoyant in the pharmaceuticals and life sciences industry, which again recorded the largest proportion of procurement professionals receiving a pay rise (80%).

Even the lowest industries in this year's table – transport, distribution and storage – reported salary increases of 60%, which last year would have put them among the leaders.

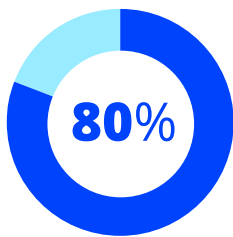
## UK average procurement salaries private sector



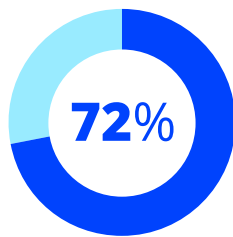
\* Data not available from previous year

## Salaries: Private sector breakdown continued

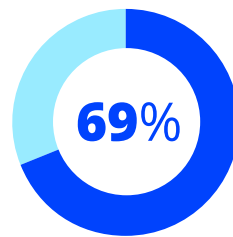
### Proportion of procurement professionals who received a salary increase



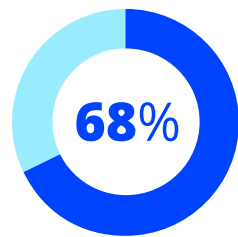
Pharmaceuticals and life sciences



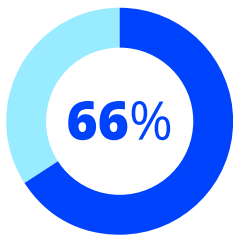
FMCG



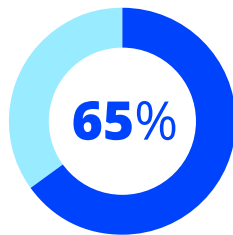
Manufacturing and engineering



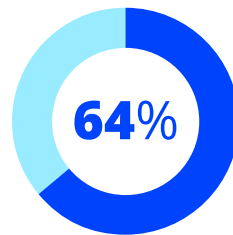
Energy and utilities



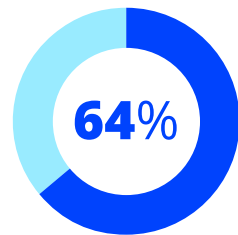
Banking, finance and insurance



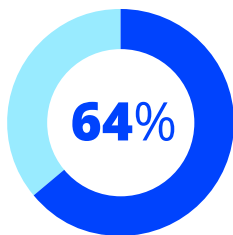
Defence



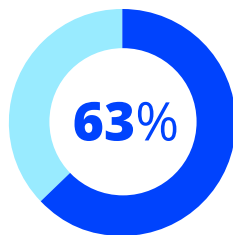
IT



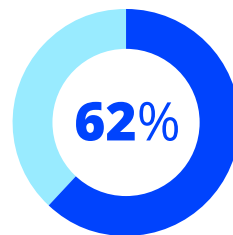
Construction



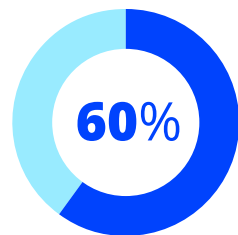
Retail and wholesale



Professional and business services



Healthcare



Transport, distribution and storage



Over the past year we have seen a strong, sustained recovery in activity levels across many industries and verticals in the private sector, with some, including life sciences and engineering, taking particular precedence. The pandemic has caused many research and development programmes to be fast-tracked, creating an influx of capital into life sciences, whilst engineering continues to play a vital role in supporting the nation's growth plan. If both these sectors are to continue to flourish, mitigating risk in supply chains is crucial, meaning organisations are willing to pay more for the right procurement professionals.

Scott Dance, Director, Hays Procurement & Supply Chain

# Salaries: Public sector breakdown

**7.1%**

**average pay rise for procurement professionals in defence/MOD/DOD**

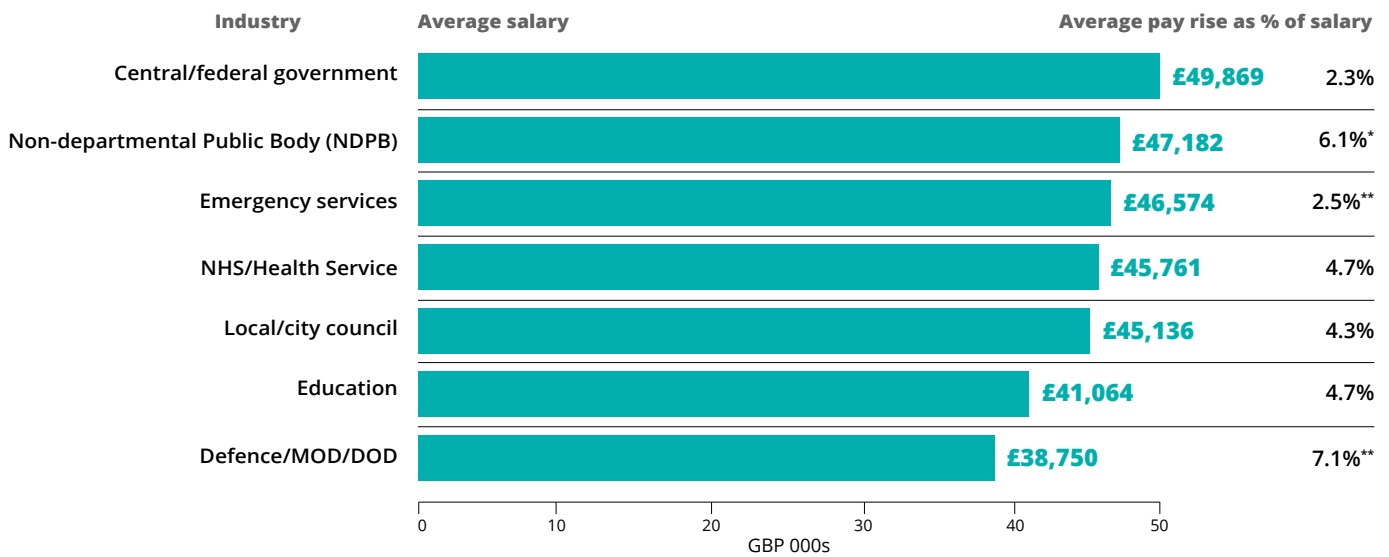
slight rise on last year's £48,742. The highest pay increase in the sector was in defence/MOD/DOD, with a rise of 7.1%. Though, with a very small number of respondents, this industry's figures must be treated with some caution.

£173bn, which might be a useful context for these rises. The calculation is that spending related to Covid-19 is diminishing but still makes up more than 10% of the total value of public sector contracts. Despite this, salary rises in the NHS/health service were towards the middle of the range, at 4.7%. Average NHS salaries were similarly mid-range at £45,761.

The highest average salaries in the public sector are again in central government, which at £49,869 was a

Industry analysts reported in January that UK public sector procurement spend increased by 7% year-on-year to

## UK average procurement salaries public sector



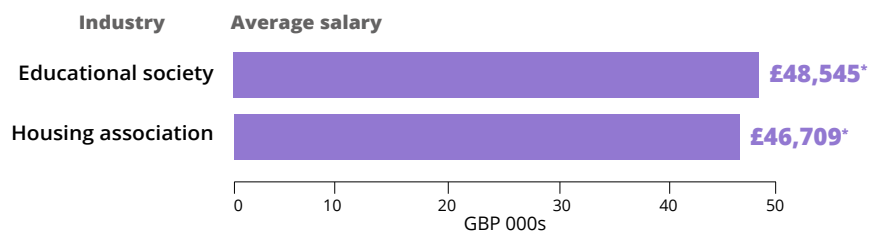
# Salaries: Charity/not for profit breakdown

There is a continuation of last year's trends of small or no salary rises.† Even the area with most respondents in the sector, housing associations, have seen very little movement in salaries, this year's average of £46,709 being little more than last year's, which was £46,567. Just 48% of respondents in housing associations reported having a pay rise at all this year.

Educational society salaries did rise to £48,545, compared with £41,317 in 2021. A greater number of respondents reported salary rises, with only 27% saying they did not receive a rise.

† From the ONS - see figure 8 here

## UK average procurement salaries charity/not for profit sector



\* = base of 50 or less \*\* = base of 25 or less

# Salaries by sector and seniority

**20%**

salary disparity between private and public sector average pay at both Advanced Professional and Professional level

Private sector salaries dominate most, but not all professional levels when it comes to average salaries. Hays data says there has been a post-pandemic bounce back in the private sector, which has caused increased competition with the public sector and driven salary growth. The largest divergence is at Advanced Professional and Professional levels, where average salaries are 20% higher in the private than in the public sector, a £15,599 and £9,619 a year difference respectively.

The results of this year's survey suggest the trend reverses in more junior roles. Average salaries at Operational and Tactical level are almost level in both private and public sectors. In fact, the public sector reports under 1% higher average salaries at Operational and 3% higher at Tactical.

## Average salaries by sector and job level

### Advanced Professional



### Professional



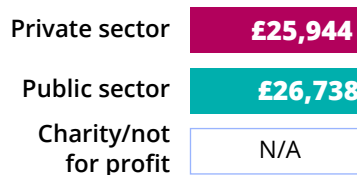
### Managerial



### Operational

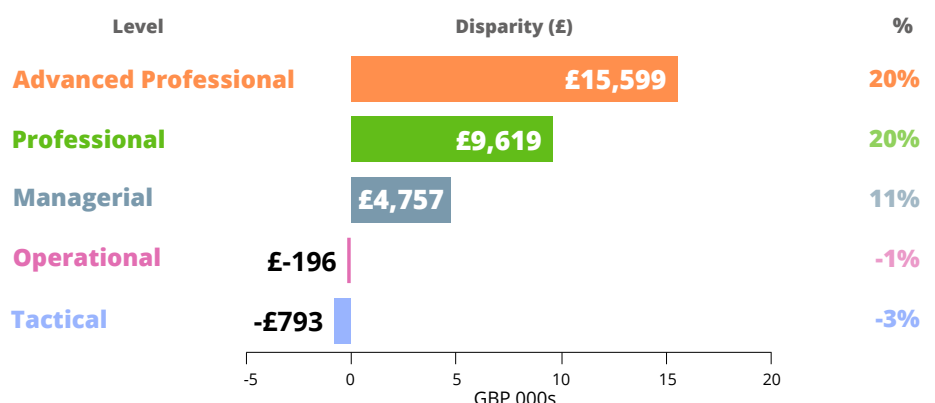


### Tactical



0 20 40 60 80 100  
GBP 000s

## Salary disparity between private and public sector by job level



\* = base of 50 or less

\*\* = base of 25 or less



# Salaries by sector and region

**20%**

**private v public sector pay disparity in London, up from 12% in 2021**

There are large variations between private and public sector pay in Scotland and Wales. A differential of more than £14,000 a year is reported in Scotland, amounting to 36%. In comparison, the disparity in Wales is 23%, with a difference of more than £9,000.

**£48k**

**average procurement salary in the North West private sector, compared to £41k in 2021**

The disparity in London meanwhile is at 20% or £11,524, so lower than Scotland and Wales, but still significantly higher than its figures for 2021 (12%) and 2020 (17%).

The survey results show that in Northern Ireland there is a £4,600

difference in favour of the public sector, making it 11% higher than the private sector.

The smallest difference in England is in the North East, with reported salaries averaging £42,669 in the private sector and £42,815 in the public sector, a negligible disparity. The biggest sector variance in the English regions comes between the private sector and the charity/not for profit sector. In the West Midlands, this was £14,000 a year, or 39%. In the South East, private sector salaries were 22% higher than the charity/not for profit sector, an £9,693 disparity.

## Average procurement salaries by region and sector

Region	Private sector	Public sector	Charity/not for profit	Private vs public sector disparity
London	£69,629	£58,105	£59,687	£11,524, 20%
Scotland	£54,133	£39,750	£50,836	£14,383, 36%
South East	£53,781	£50,921	£44,088	£2,860, 6%
West Midlands	£49,129	£46,776	£35,219	£2,352, 5%
Wales	£48,935	£39,768	£41,583	£9,167, 23%
East of England	£48,669	£41,868	£49,462	£6,801, 16%
North West	£47,632	£44,140	£45,719	£3,493, 8%
South West	£46,863	£39,487	£40,475	£7,376, 19%
East Midlands	£44,674	£42,269	£41,339	£2,405, 6%
North East	£42,669	£42,815	£47,588	-£145, 0%
Yorkshire and Humber	£42,647	£39,716	£28,250	£2,931, 7%
Northern Ireland	£41,782	£46,454	N/A	-£4,672, -10%

# Salaries by gender



average gender pay gap at Professional level, narrowed from 13% in 2021

The gender pay gap trends are something we continue to monitor each year. It is encouraging to see a narrowing this year at senior levels

where we have seen the largest salary disparity trends between male and female professionals for several years. While we can monitor the overall trends, it is important to note there are other factors affecting our data such as the job roles' salary variations within the levels themselves as well as sector and industry variances.

Although we can see some progress there is considerable work still to be done. Professionals must take responsibility to strive for equal

opportunities and equal pay for work of equal or comparable value within their own organisations so that we continue to see the narrowing trend across all levels. Making comprehensive ED&I policies a core part of an organisation's talent attraction and retention strategies with tailored flexible working options is also a key element. However, policies only go so far. Embedding an ED&I culture is required to change behaviours and create an environment where everyone feels they can meet their full potential.

## UK average salary by gender and level of seniority

● Male ● Female

### Advanced Professional



### Professional



### Managerial



### Operational

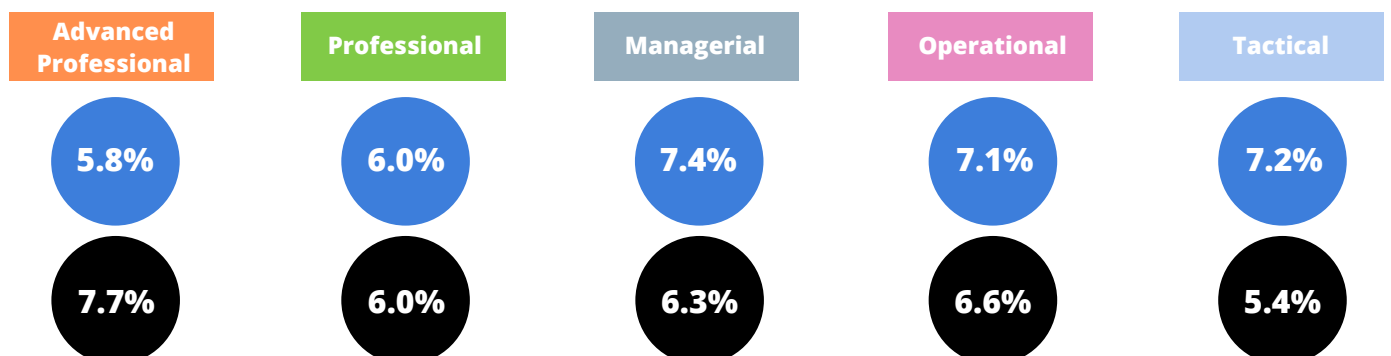


### Tactical



## Average salary increase by gender and level

● Male ● Female



# Salaries by gender and sector

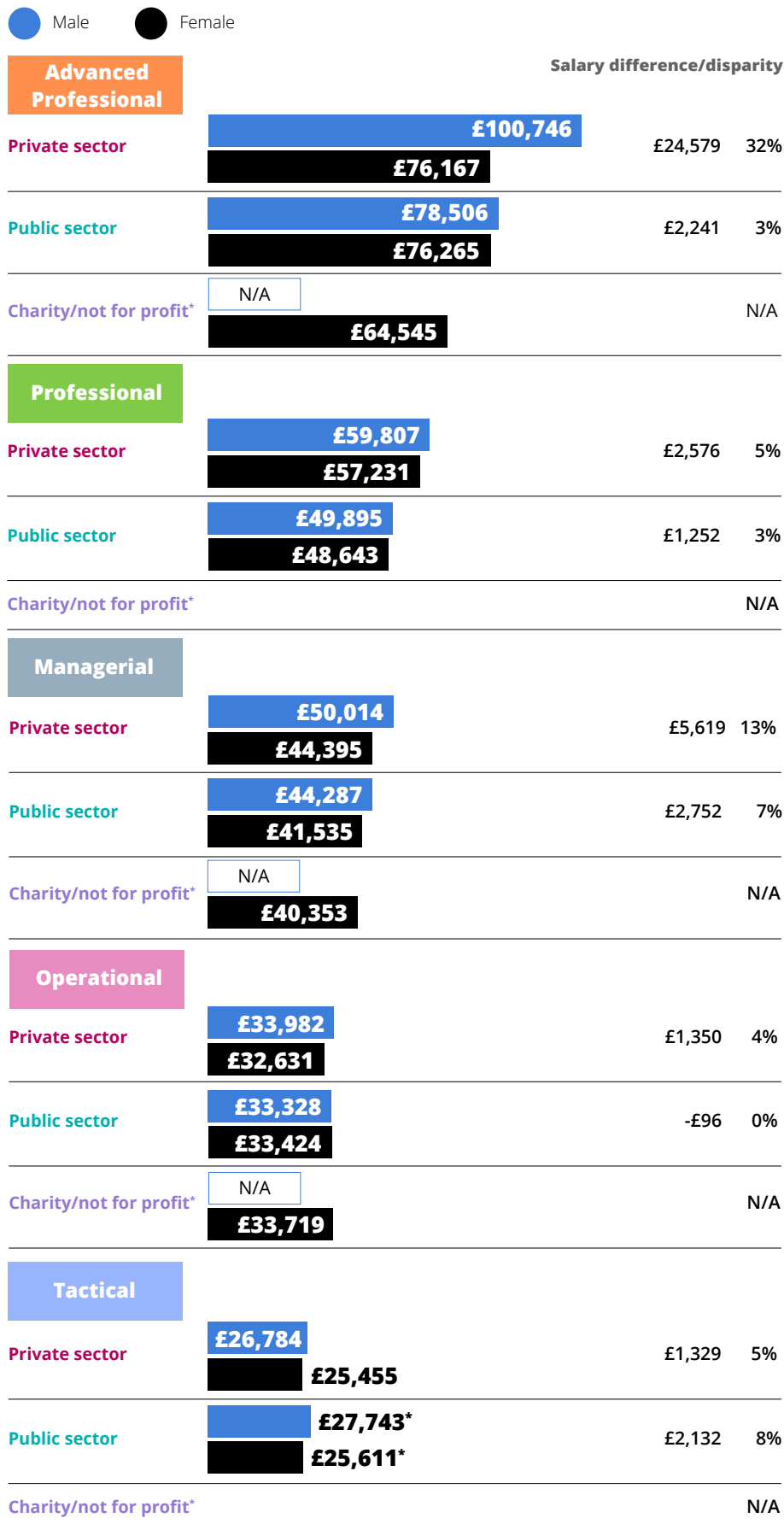
There is still a 26% gender pay gap within the profession overall, according to our survey results. This means that the average salary for men is £55,557 and £44,011 for women – a difference of £11,546.

There are a number of factors that impact the disparity and overall trends we report. Salaries are higher in the private sector and 69% of male respondents work in the private sector versus 61% of females. The reverse is also true: 34% of women who responded to the survey work in the public sector, where salaries are lower, compared with 28% of men.

Gender differences in seniority also impact the data, since 20% of male respondents work at Advanced Professional level, whereas only 11% of female respondents do. This is clearly an area where a broader emphasis on gender parity is needed to not only close the gap but also improve the range of diverse strategic thinking going into solving procurement challenges. More women in senior procurement roles encourages more women to enter the profession. One successful approach that Hays in particular has seen, is to nurture your future talent pipeline proactively. Create a succession plan that identifies strong prospective female leaders early and this will impact and improve representation at a senior level later.

Data at more junior job levels exacerbates the gender pay gap figure overall as 27%: while 27% of women respondents work at Operational and Tactical levels, only 19% of male respondents do.

## Average salary by sector, gender and level of seniority



\* Charity/not for profit data base too low

# Bonuses by seniority

**9.1%**

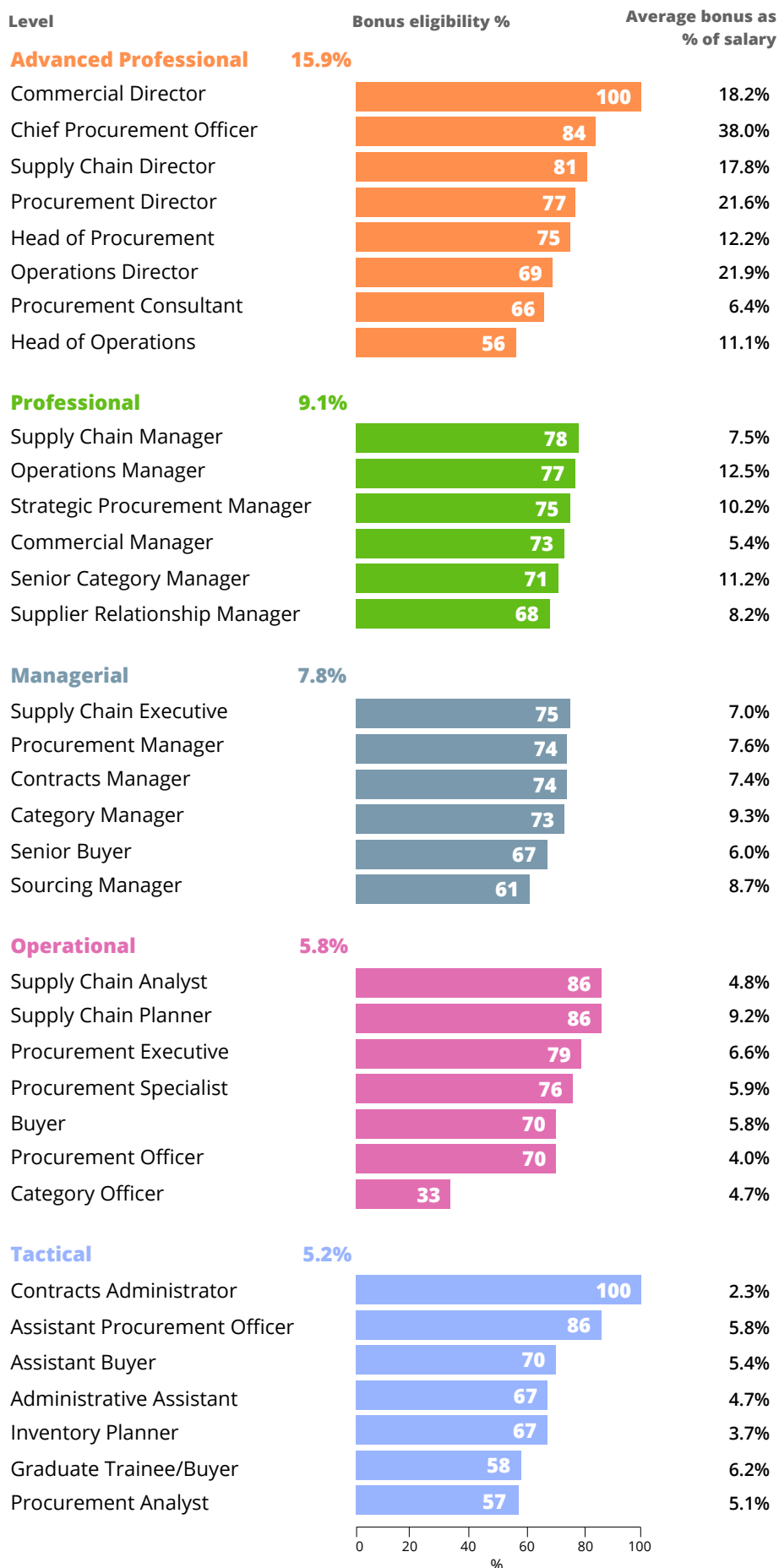
**overall average bonus paid as % of salary this year**

More than half (53%) of the procurement professionals surveyed said they were entitled to a bonus. Those employed full-time were more likely to have a bonus than part-time employees – and there was a pattern of experience linked to bonuses. Of those who'd worked for two years or fewer, around two fifths (39%) earned bonuses, significantly less than the average.

Men are more likely to have a bonus scheme, with 59% receiving one in comparison with 47% of women – this is likely impacted by the difference in gender responses by sector. Bonuses are more common in the private sector, with 68% reporting having received one. While more rare in the public and charity/not for profit sectors, they are not unheard of, with around a quarter of respondents (25%) reporting entitlement.

The way bonuses are determined varies, too. For most (81%), the company achieving its targets determines bonuses, yet over three quarters (77%) would prefer for bonuses to align with personal targets; 61% are determined in this way. Team targets, meanwhile, were offered to only 26% of respondents yet preferred by 34%.

## Average bonus received as % of salary



## Bonuses by seniority continued

Looking at how professionals like to be incentivised when it comes to bonuses – against the reality of what organisations actually offer... examining the results, it comes down to a struggle between control and influence.

Professionals can control, to an extent, their own performance or their department's performance. They can build teams, hire the right people, engage good suppliers with robust contracts, mitigate risks – and the survey says you'd like personal targets matching those achievements. But only 61% are judged against this.

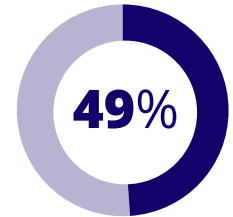
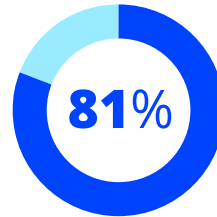
The more frequent metric is the overall organisational performance: if this is strong, according to our results, 81% earn their bonuses yet under half (49%) prefer this. We know procurement can have an influence on the bottom line, but we can't control it.

### How bonus is defined versus preferred

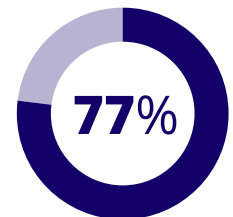
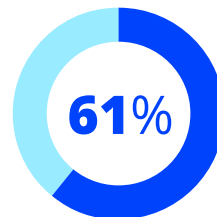
● Defined ● Preferred

#### Overall numbers

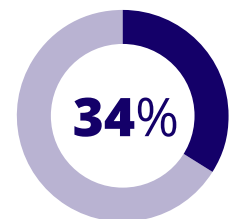
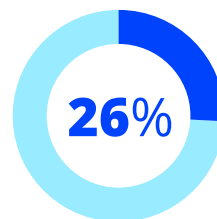
Company achieving targets



Achieving personal targets



Team achieving targets



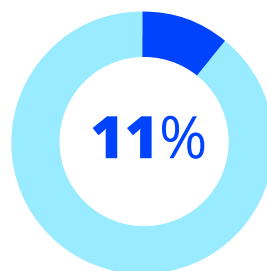
## Bonuses: MCIPS and non-MCIPS

**10.7%**

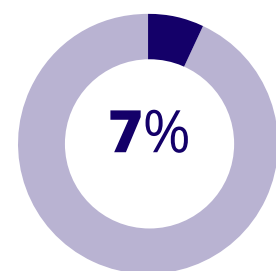
average bonus paid to MCIPS professionals, compared with 7.4% for non-MCIPS

MCIPS benefits professionals in a number of ways. MCIPS professionals are more likely to receive a bonus than those who are not qualified – 74% of MCIPS members received a bonus compared with 71% of non-MCIPS. And the average bonus that MCIPS professionals received was higher, at 11% of annual salary, compared with 7% paid to non-MCIPS employees.

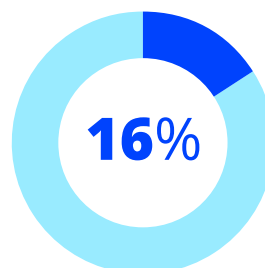
### Bonus received as proportion of annual salary MCIPS and non-MCIPS



MCIPS



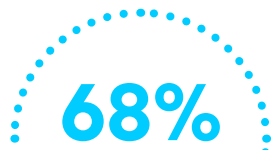
Non-MCIPS



FCIPS\*

\* low base

# Bonuses by sector and industry: Private sector



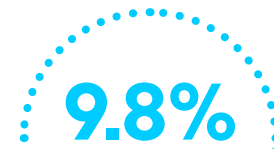
**of procurement professionals in the private sector are eligible for a bonus**

Bonuses are common in the private sector, with 68% of procurement professionals in eligible posts. But

behind that sector-wide figure there is variation within industries. This year it ranges from an impressive 92% in banking, finance and insurance, down to 56% in construction.

The size of bonuses vary too, with 11 of the industries sampled reporting double-digit bonuses as a percentage of annual salary, and eight in single figures, the lowest being defence and construction, at 6% and 7% respectively.

Marketing, advertising and PR reported the largest bonuses averaging 17%, followed by property at 14%.



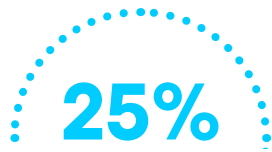
**overall average private sector bonus**

## Bonus eligibility private sector industries

Industry	Bonus eligibility %	Average pay rise as % of salary
Banking, finance and insurance	92	11.0%
Sport	89*	8.2%
Pharmaceuticals and life sciences	88	11.6%
FMCG (Fast Moving Consumer Goods)	81	11.4%
Property	81	14.0%
Energy and utilities	76	11.8%
Hotels and catering	76	11.3%
Telecoms	75	8.7%
Arts, entertainment and recreation	73*	9.5%
Professional and business services	69	9.2%
Defence	68	6.2%
Retail and wholesale	68	11.8%
Transport, distribution and storage	66	12.1%
Agriculture, forestry and fishing	65	8.7%
IT	62	11.6%
Manufacturing and engineering	60	7.5%
Healthcare	58	13.2%
Marketing, advertising and PR	57*	16.9%
Construction	56	6.7%

0 20 40 60 80 100  
\* low base GBP 000s

# Bonuses by sector and industry: Public sector

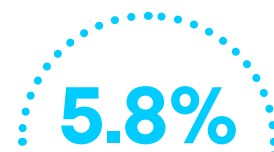


**25%**  
of procurement professionals in the public sector are eligible for a bonus

Most procurement professionals in the public sector do not earn a bonus. This is important when we view the average base salary comparisons between sectors; private sector professionals

may have significant earning potential beyond their salary. But there are some bonuses paid in the sector, with 45% of respondents in defence/MOD/DOD and 42% in non-departmental public bodies saying they have a scheme.

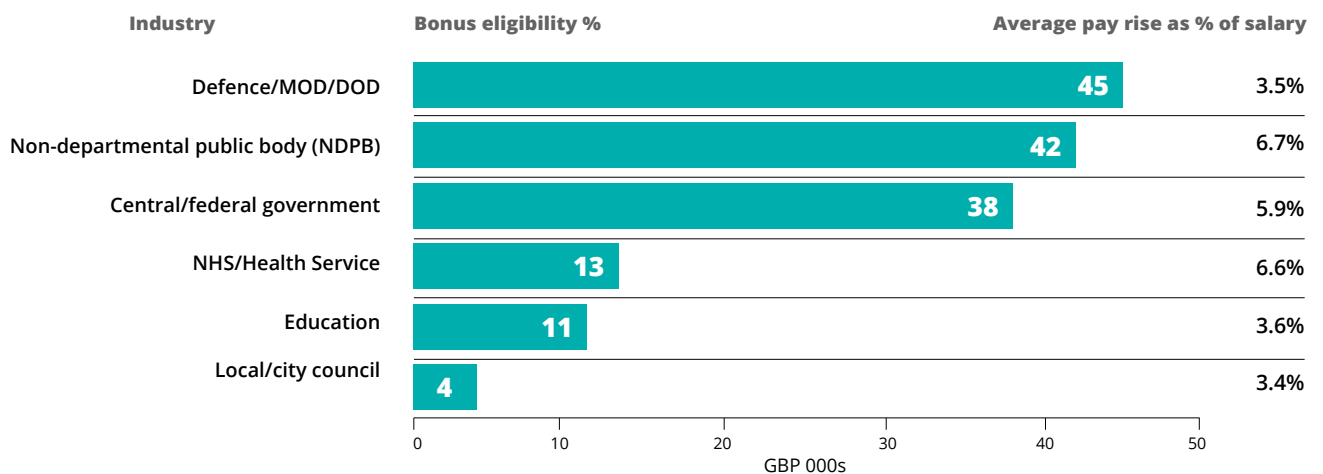
Where bonuses are paid they are likely to be lower than those in the private sector. The reported top rate for bonuses, as a percentage of annual salary, was 7% in non-departmental public bodies and



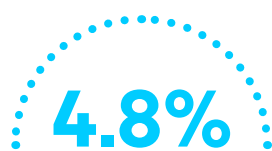
**5.8%**  
overall average public sector bonus

6.6% in the NHS/health service. These are several percentage points less than the private sector, where most industries reported double-digit percentage bonus potential.

## Bonus eligibility public sector industries



## Bonus eligibility charity/not for profit sector

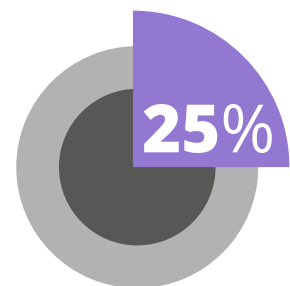


**4.8%**  
overall average charity/not for profit sector bonus\*

As we might guess, in organisations that are not profit driven, bonuses are a less of a feature when it comes to remuneration.

As a result, the survey received a low number of respondents within this sector and those that did reply reported lower average bonuses than the other two sectors.

The types of charities that are most likely to offer bonuses, according to our results, are educational societies (37% say they are eligible) and housing associations (20%) – although both results have relatively low bases.



*of procurement professionals in the charity/not for profit sector who responded to the survey are eligible for a bonus\**

\* low base

# Bonuses by gender and region

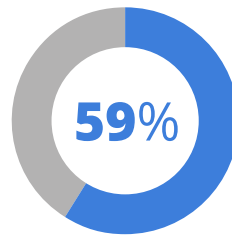
Men are more likely than women to have a bonus scheme of some description – and the difference is marked: 59% for men and 47% for women.

But, when it comes to actually receiving a bonus in 2022, the gender difference disappears. In this year's figures, women were, in fact, marginally more likely to receive a bonus, at 73% compared with 72% for men.

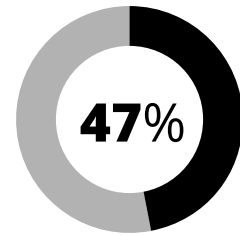
In five of the UK's 12 regions, most procurement professionals are eligible for bonuses. London heads the rankings with 63%, due to the high concentration of banking and finance professionals in the capital. The four other regions reporting bonus eligibility of more than 50% were the East Midlands, the North West, the South East and the West Midlands.

In terms of size of bonus, London has the highest at 11.7%, followed by Scotland at 10%. All other regions' average bonuses were single figures.

## Bonus eligibility by gender

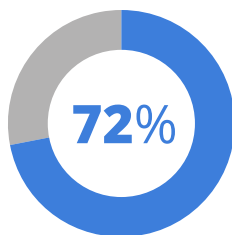


Men

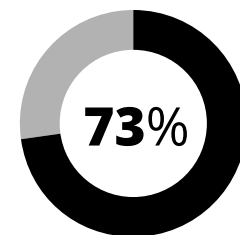


Women

## % of those eligible who received a bonus by gender

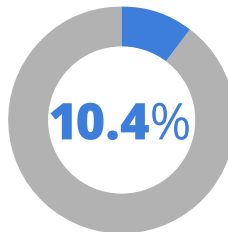


Men

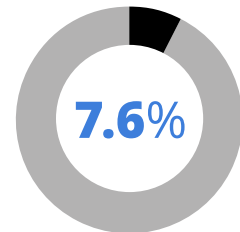


Women

## Average bonus as a % of salary



Men



Women

## Bonus eligibility by region

Region	Bonus eligibility %	Average pay rise as % of salary
London	63	11.7%
East Midlands	59	7.3%
North West	56	9.1%
South East	55	8.6%
West Midlands	54	8.5%*
South West	49	7.5%
Yorkshire and Humber	47	8.9%
East of England	45	7.9%
North East	45	7.6%
Scotland	45	10.0%
Northern Ireland	42	7.2%*
Wales	32	8.5%

\*Low base for average value



# Pay grade structure

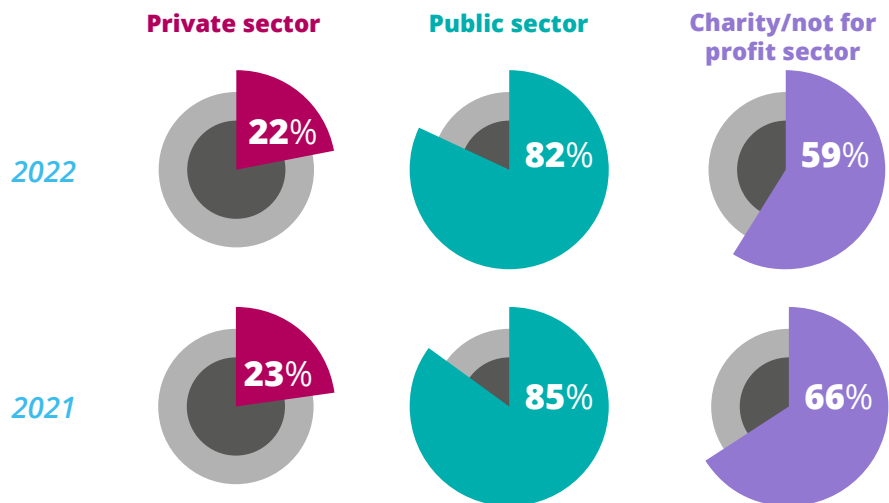
**82%**

**of public sector organisations have a transparent pay grade structure**

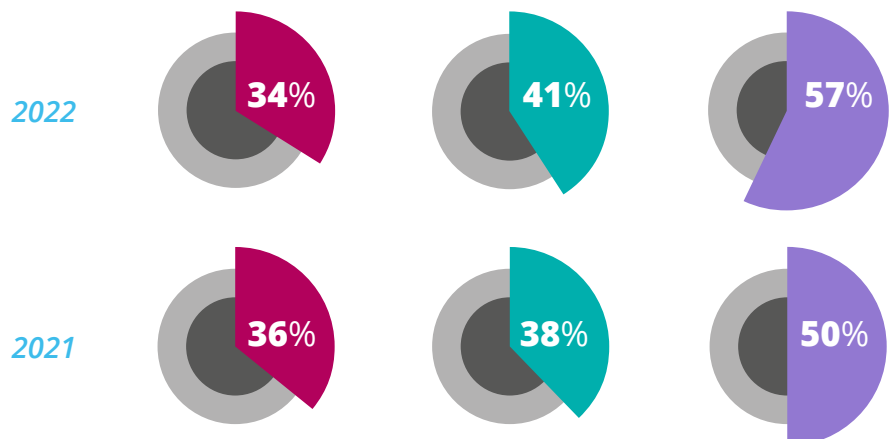
According to respondents, 58% of their employing organisations do not have a transparent pay grade structure. And there is a significant difference when it comes to transparency by sector – with the private sector falling well below the profession’s average at 22%. More concerning is the seven percentage point drop in the charity/not for profit sector – to 59% from 66% in 2021.

Transparency is a tested way for organisations to reduce the gender pay gap and improve gender equality, according to the UK government’s Equalities Office. It says: “Employers should clearly communicate the salary range on offer for a role to encourage women to negotiate.”

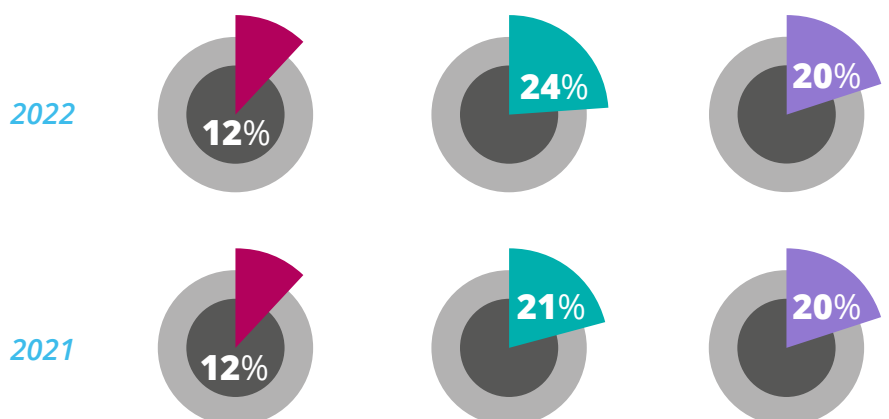
## Proportion of organisations with transparent pay grade structure by sector



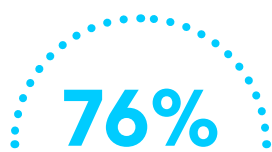
## Proportion of organisations that publish a gender pay gap report



## Proportion of organisations that publish an ethnicity pay gap report



# Benefits



**76%**  
the proportion of procurement professionals receiving the benefit of working from home (up from 72% in 2021)

Remote working has now become the norm and many procurement professionals have benefitted from more flexible working practices than in the past.

Whether it's having greater influence over where and when they work, these options have meant professionals have more freedom when juggling the different priorities

in their lives, resulting in improved work-life balance.

Home working is likely to be here to stay (to varying degrees) and many prospective job candidates expect to see this as a standard benefit when applying for a job. Organisations are offering a more diverse range of benefits than employees may expect – seven requested benefits out of the top 10 are, in fact, more available than asked for.

The largest discrepancy is in life assurance/death in service benefits, desired by 26% and received by 48%. Also in this category are professional body membership fees, which 22% desire but 36% currently receive.

At the other end are examples of benefit deficit, where a professional desires a benefit that is not currently offered. This covers three benefits, with 47% wanting private medical insurance but only 37% receiving it; car allowance/company car (31% want, 20% receive); income protection/permanent health insurance, a financial product (19% want, 13% receive).

Dance explains that the desire for a company car is a trend tied to the shifts in working practices: "If people are working from home more often but travelling further to offices, the cost of travel becomes a factor. A company car helps. On top of that, we're seeing more electric cars appearing in corporate fleets."

## The benefit desired and rate received

Benefit	% desiring	% currently receiving	Difference: desiring/receiving
Working from home	59	76	17%
Flexible working hours	54	59	5%
Private medical insurance	47	37	-9%
Above statutory pension contributions	39	41	3%
Car allowance/company car	31	20	-11%
Support for study/career development	28	41	13%
Life assurance/death in service	26	48	22%
Professional body membership fees	22	36	14%
Income protection/health insurance	19	13	-7%
Buy or sell holidays	19	31	12%

# Benefits, sector and gender



**Working from home is the most desired benefit (across all sectors)**

## Top five desired benefits by sector and gender

There are noticeable differences when the five most desired benefits are ranked according to sector and gender. According to responses, working from home matters to a high proportion of women working in the charity/not for profit sector (71%), yet is rated by only 53% of men in the private sector. Flexible working follows the same pattern, being important to 70% of women working in the charity/not for profit sector but to just under half of male respondents (49%).

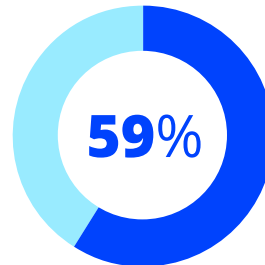
Within the private sector, private medical insurance is the second most important benefit to men, at 52%, and higher than flexible working, cited by 45%. For women in the sector, the order is switched, with 57% of women saying flexible working is the most desired benefit and 49% citing private medical insurance.

In the public sector, men and women rank the same benefits in the same order. The only difference is that proportionately more women are likely to mention benefits as important to them, with working from home rated by 65% and flexible working at 63%. This compares with 61% and 59% for men.

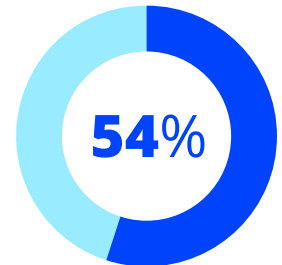
The charity/not for profit sector shows significant gender differences. As highlighted above, 71% of women in this sector rate working from home, which contrasts with just 49% of men. The highest rating from men is for above statutory pension contributions, at 59%, which was mentioned by only 49% of women. A third of men in the charity/not for profit sector rate income protection/permanent health insurance, while only 14% of women do. The benefit that falls in the women's top five that does not appear in the men's is support for study/career development – rated by 38% of women and just 22% of men.

Interestingly, a car allowance or a company car has crept into the top five desired benefits for the first time.

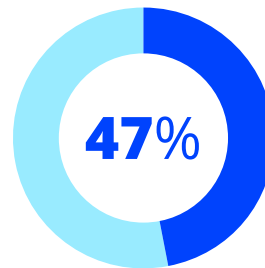
## Top five desired benefits across all sectors and percentage desiring it



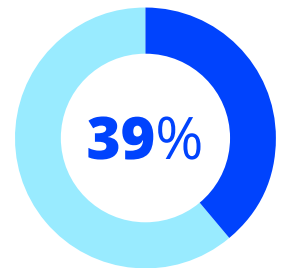
1. Working from home



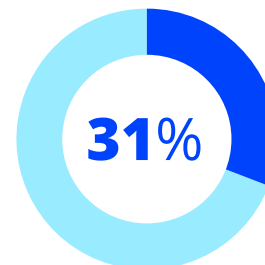
2. Flexible working hours



3. Private medical insurance



4. Above statutory pension contributions

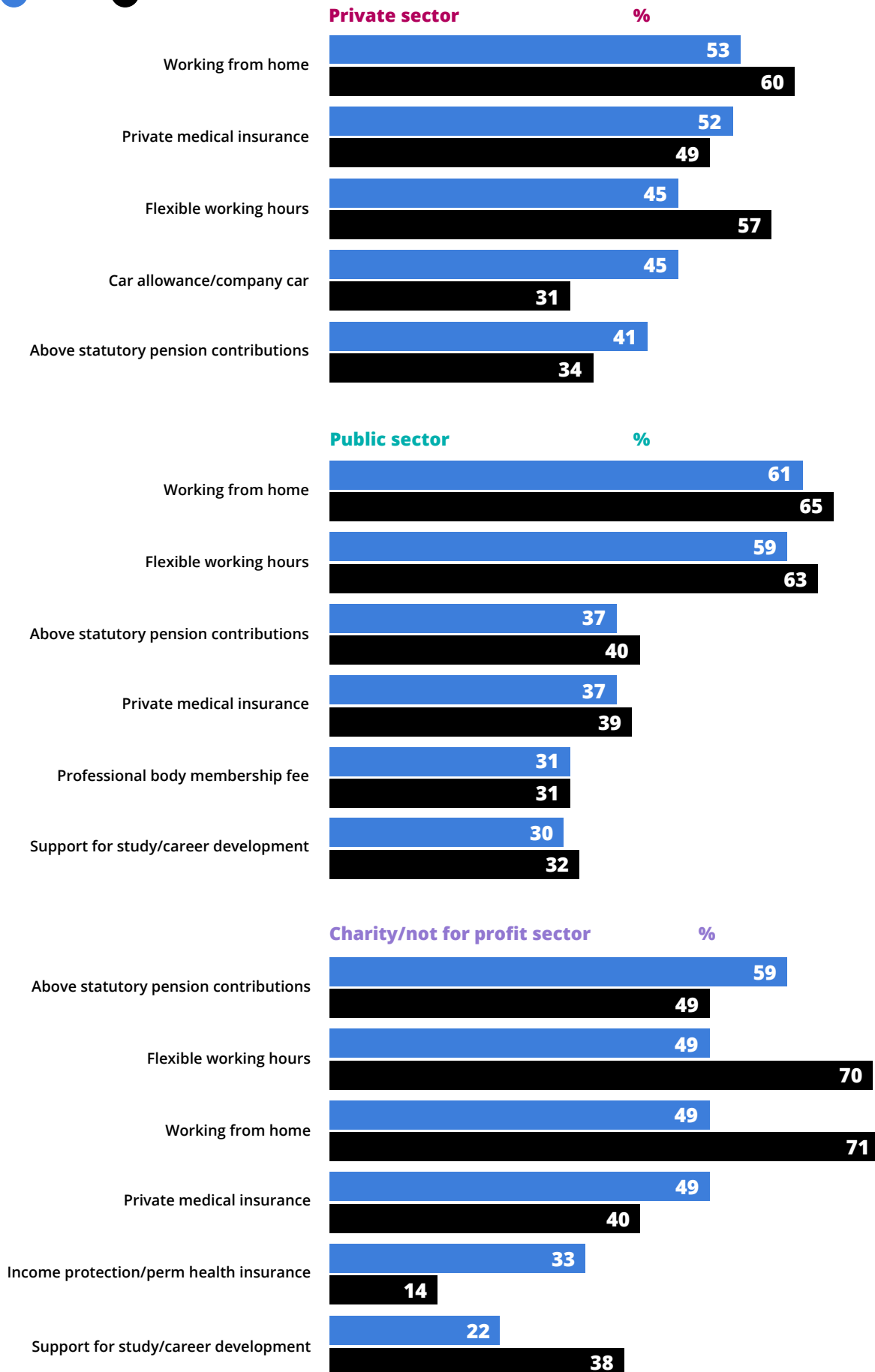


5. Car allowance/ Company car

# Benefits sector and gender continued

## Top five benefits most desired by sector and gender

● Male ● Female



# Benefits, seniority and gender

Male professionals at Advanced Professional level want private medical insurance before any other benefits. For women at this level, the top preferred benefit is working from home, as it is for both genders at most levels across the profession.

Although working from home generally dominates, at the Professional level it is mentioned by fewer people than last year. Among male respondents, those

rating it highly as a benefit dropped to 52% from 58% in 2021. Among women, the dip was to 61% from 67%.

A car allowance/company car ranks in the top five benefits among men – at Advanced Professional level (49%) and Professional level (36%). At Advanced Professional level, life assurance/death in service benefits ranked fifth on the list of desired benefits for women, with 32% citing it. At Professional

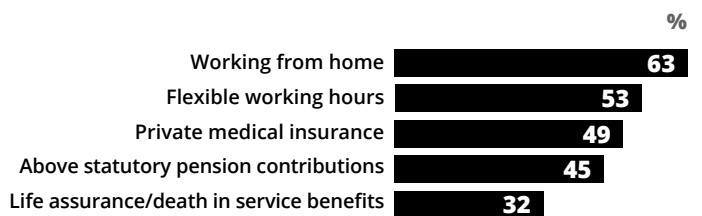
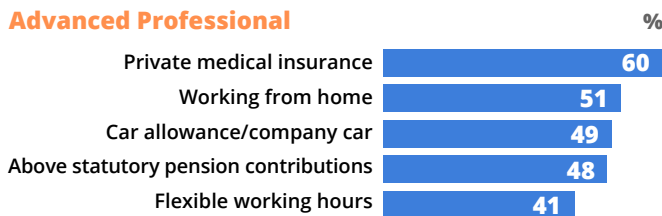
level, 26% rate support for study/career development.

Among women, support for study/career development is among the top five desired benefits across four levels from Tactical level to Professional. Among men, finance-related benefits seem to appeal more to senior professionals, with car allowance/company car prioritised in the top five at Managerial and Professional levels.

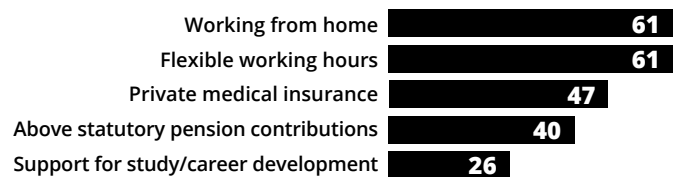
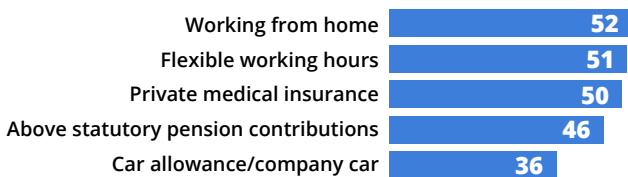
## Top five benefits by job level and gender

● Male ● Female

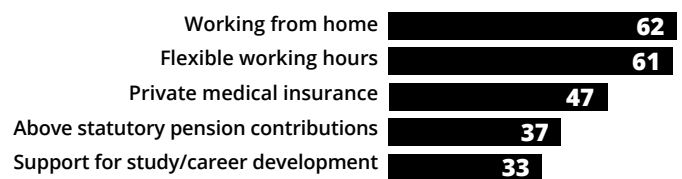
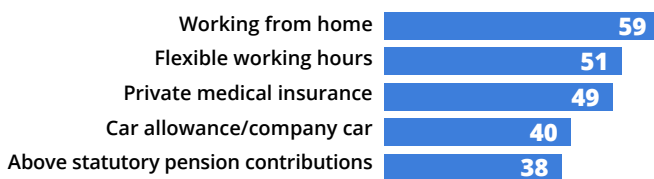
### Advanced Professional



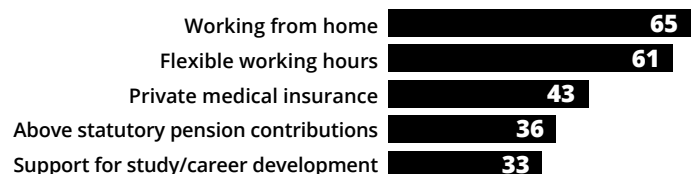
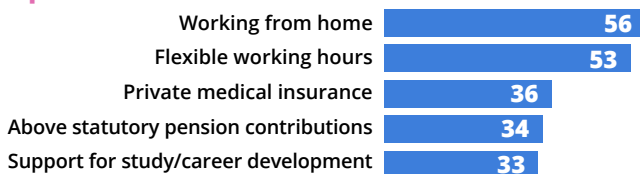
### Professional



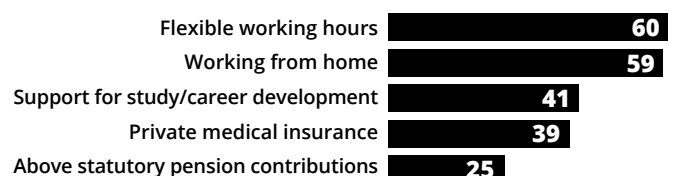
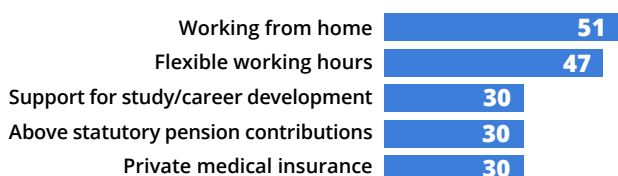
### Managerial



### Operational



### Tactical



# Benefits employees prioritise as a result of Covid-19

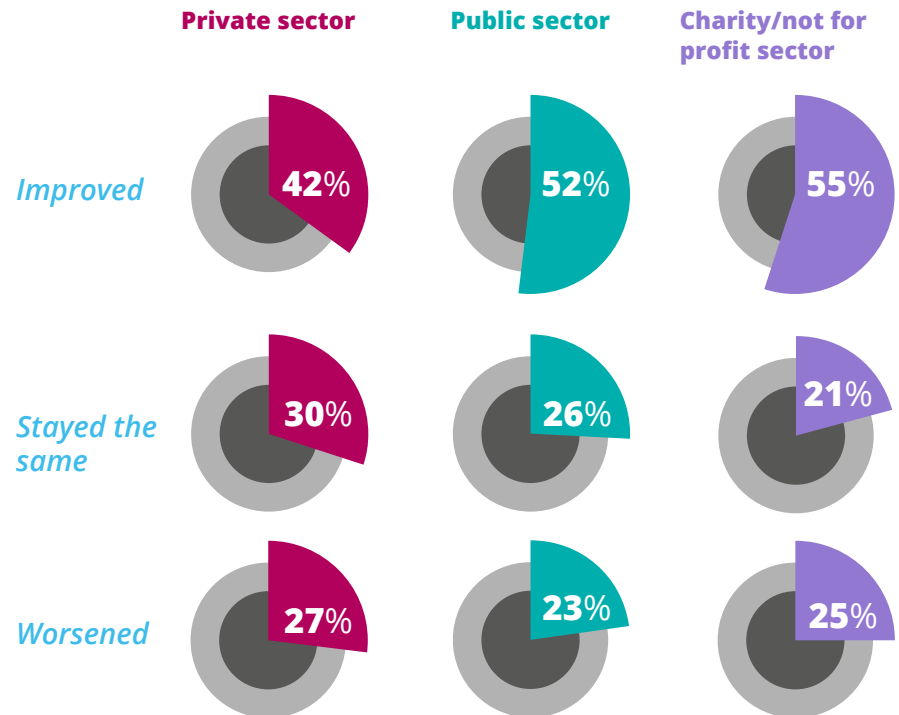
**46%**

of procurement professionals say their work-life balance has improved since the beginning of the Covid-19 pandemic (across all sectors), a 5% rise from 2021

The changes to working practices brought about by the Covid-19 pandemic have generally been valued by procurement professionals who responded to the survey. Almost half of respondents (46%) say their work-life balance has improved: a lack of home-schooling and more hybrid working are having an impact.

The overwhelming majority of procurement professionals would prefer to be working either fully or part remotely in a year's time. This holds true across the board and is particularly noticeable in the public and charity/not for profit sectors. In the public sector, just 7% of respondents say they would prefer to be working mostly or entirely in the office. In the charity/not for profit sector the figure is 8%.

## How Covid-19 has changed work-life balance

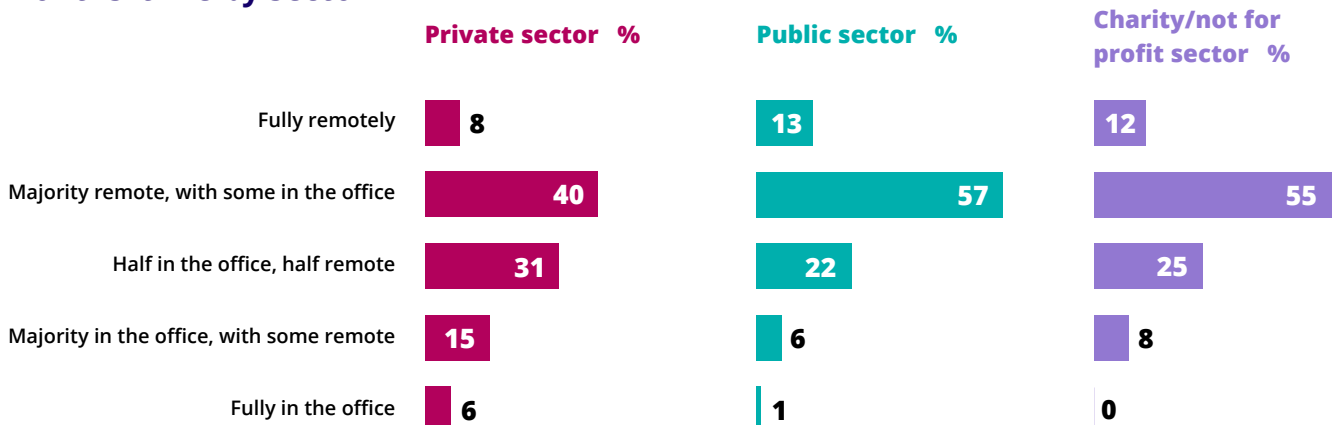


In the private sector, working fully remotely has less interest, as just 8% of those who responded to the survey set it as a preference.

However, there are double digit preferences for no office work at all in the public sector at 13%, and in the charity/not for profit sector at 12%.

Hybrid working is desired across all sectors with slight variation preference in time spent in the office, with 56% across all sectors preferring to work remotely most of the time. There is a need for organisations to focus on getting the right hybrid model for their organisation.

## How procurement professionals would prefer to be working in 12 months' time by sector



# 3

# Talent management

Hiring and retaining talent is key to running any successful business and with increased job competition across our profession, it is more important than ever to understand what attracts and keeps the best candidates.

**Two years on from the start of the pandemic, the way we work has changed significantly.**

Working from home, at least some of the week, is now the norm. Despite offices now able to open as normal, many companies and organisations have realised that a more flexible, hybrid approach can work successfully – and is a particularly effective way to retain staff and draw in new talent. For instance, our report shows that for 73% of us working in the charity/ not for profit sector, flexible



working was the number one factor when considering a new job.

Knowing how to draw in the right talent is crucial, especially in the current climate, with many businesses and organisations rehiring after a long period of recruitment freezes. As our

survey has found, competition from outside employers is one of the top four challenges felt by organisations looking to hire.

The number one overall challenge when hiring is a lack of sector skills and experience: it may be a candidate's market but qualifications and training remain hugely important. Employers that can offer this have a greater chance of retaining their staff for longer and employees who take the opportunities available to build their skills have a higher chance of progressing their careers.



**People need to be encouraged to find their specific areas of interest in procurement, along with flexible policies, and a work-life balance, then companies will find that new talent falls in love with the idea of joining and then staying with that company.**

**Lauren Jones, Partner and Procurement Manager,  
John Lewis Partnership**

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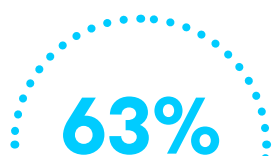
**MCIPS: Boost your career**

*Find out more about how this globally acknowledged award offers many career benefits*

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# Hiring challenges



**63%**  
of organisations have struggled to hire the right talent in the past 12 months across all sectors

As pandemic restrictions have lifted, hiring new employees has stepped up a gear, and in some cases, started again after a freeze. Our research reveals that hiring the right talent has its challenges in particular in the public sector with 71% of employers struggling to find the right talent.

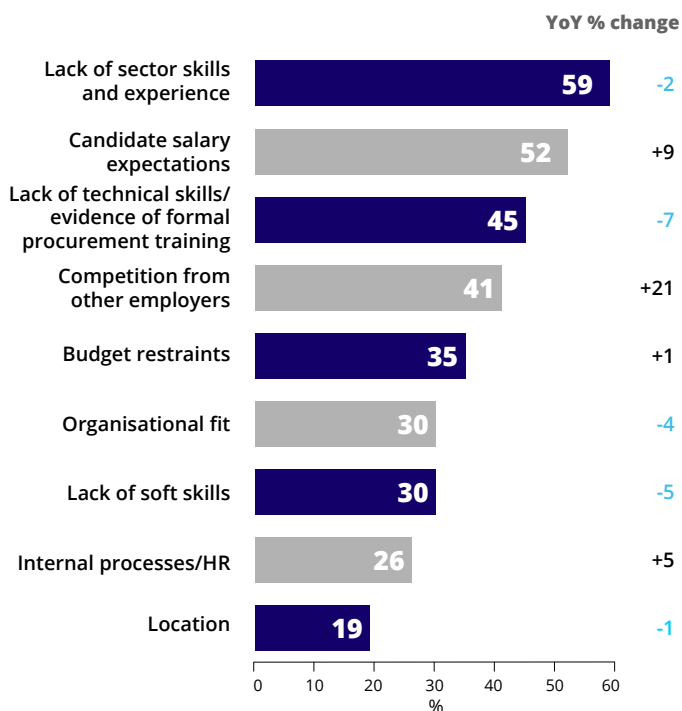
The increase in salary expectations shows that it's a candidate's market. Over half of respondents (52%) who have the responsibility of recruiting say this is a challenge, up from 43% last year – making it the second biggest challenge faced this year.

## Skills and experience essential for success

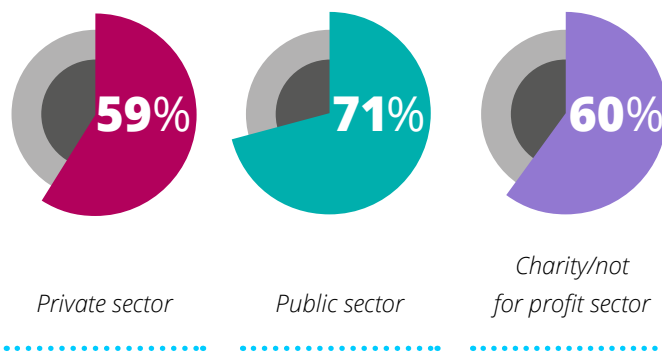
As skills, training and salary expectations dominate the list, the competition for talent has got tougher. Whereas 20% of recruiters cited this as an issue in 2021, it's up to 41% this year, moving from eighth greatest challenge to fourth.

But it's the lack of sector skills and experience that tops the list again – along with a lack of technical skills and formal training. And, yes, salary expectations are prominent. Our professionals know that technical qualifications and sector experience are the bedrock of a successful career. It's what employers look for when recruiting and it's what drives our careers forward.

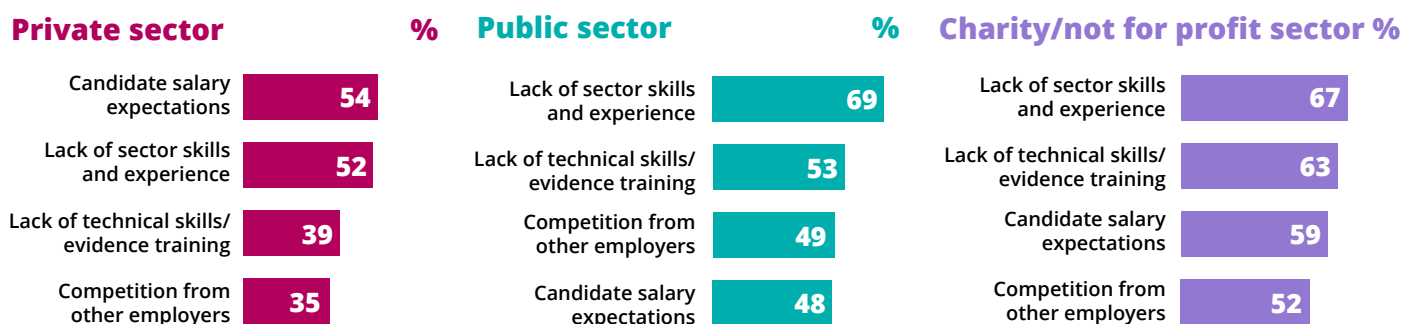
## Challenges in recruiting the right talent



## Organisations that have struggled to find the right procurement talent by sector



## Top challenges in recruiting the right talent by sector



# Skills in demand

Soft skills dominate employer expectations and needs.

A lack of the correct skills, training and experience in prospective candidates is one of the biggest challenges when recruiting. This highlights just how important it is that those looking to progress in the profession continue to refresh their existing skills and develop new skills through formal procurement training and other opportunities.

Lack of sector skills and experience ranks highest overall, and is as high as 69% in the public sector with the charity/not for profit sector following close behind at 67%. Those working in a place with significant regulations, policy and process, need the right qualifications and training.

## Qualifications and communication are key

The charity/not for profit sector also reported high levels of recruitment issues due to lack of technical skills or evidence of formal procurement training. At 63% this was notably higher than in the private sector, at 39%, or the public sector at 53%.

Technical qualifications are a given: we need them, they boost our profession's credibility and its impact on business, ability to do our jobs and our careers. But to stand out across all job levels, those hiring want talent with strong communication and soft skills. Since the start of the pandemic, communicating with colleagues and suppliers remotely has stretched all our interpersonal relationships: being a good communicator has never been more important.



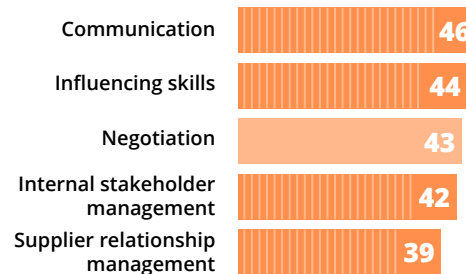
**There's been a trend towards flexible working within the profession for a number of years but the pandemic accelerated this – as it did for a number of professions. The success of the professionals working remotely is self-evident but as all businesses try to adapt to a hybrid working model, employers need to realise that flexibility is central to attracting and retaining talent – as well as an increased focus on skills development.**

**Scott Dance, Director, Hays Procurement & Supply Chain**

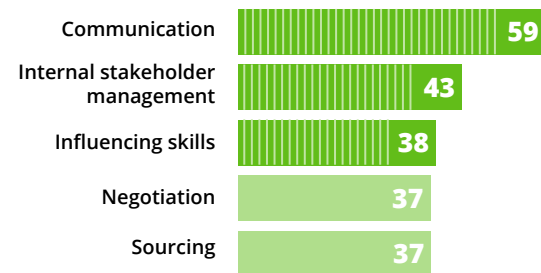
## Skills in demand when hiring at different job levels

Soft skills
 Technical skills

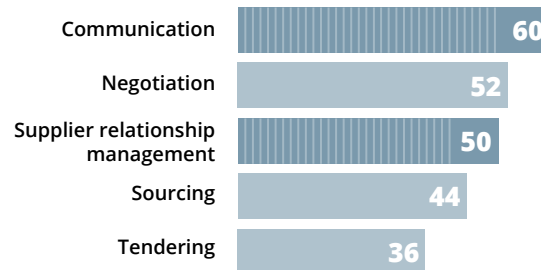
### Advanced Professional



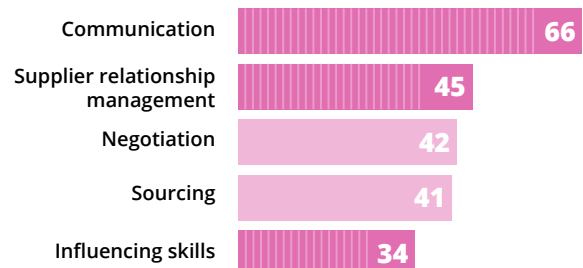
### Professional



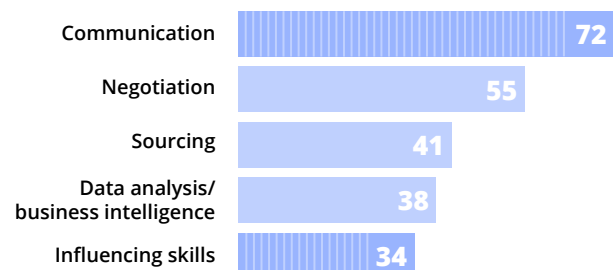
### Managerial



### Operational



### Tactical



# The value of MCIPS

**56%**

**of employers request MCIPS, (or studying towards) when recruiting (across all sectors and levels)**

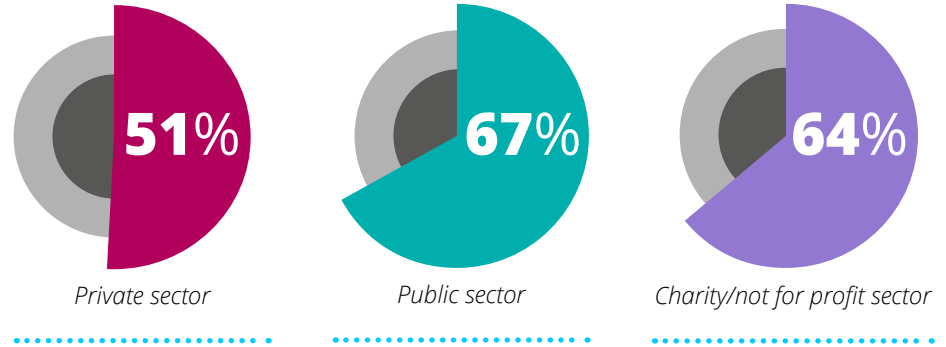
Once again, our survey results reveal the value of internationally recognised MCIPS remains high among employers this year. In the public sector, 67% of hiring managers said they preferred job candidates to have MCIPS or to be studying towards it, while in the charity/not for profit sector it was 64%. As shown earlier in the report, not only can the MCIPS designation enhance your career opportunities but it also helps boost an individual's salary and bonuses.

According to those taking part in the survey, those with MCIPS are most likely to be preferred at senior level, an indication that professional qualifications prepare individuals well for the demands of these higher managerial positions.

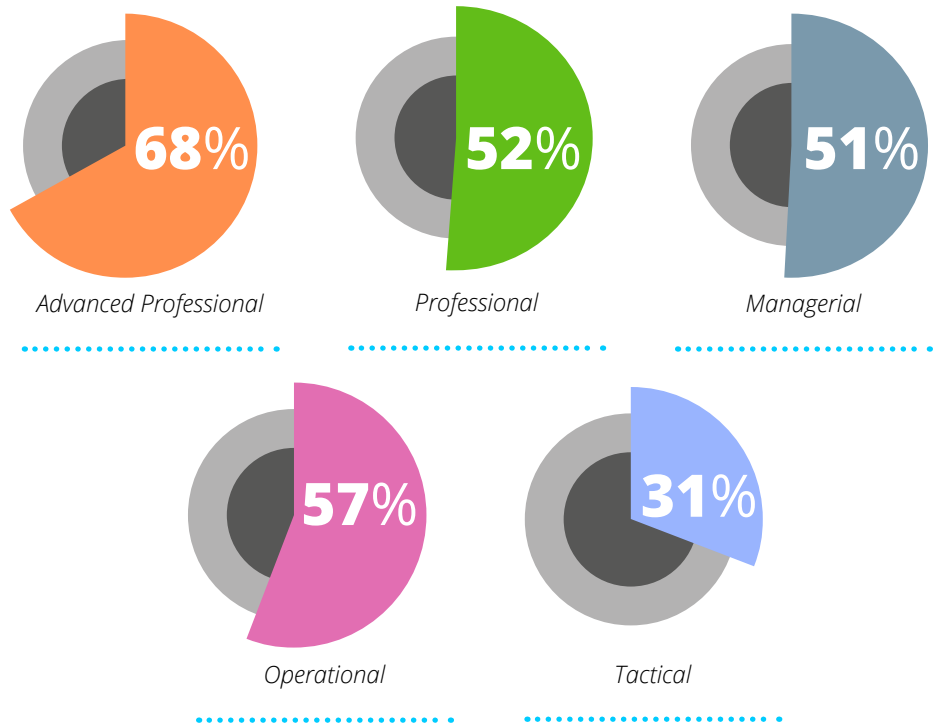
Dance says: "We're used to seeing the public sector ask for MCIPS as employers understand that it shows a deep commitment to development – but it is growing in importance in the private sector too, with the majority this year requesting MCIPS."

## Employers requesting MCIPS (or studying towards) when recruiting

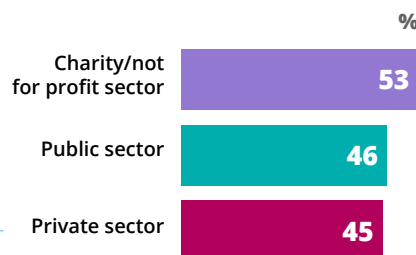
*By sector*



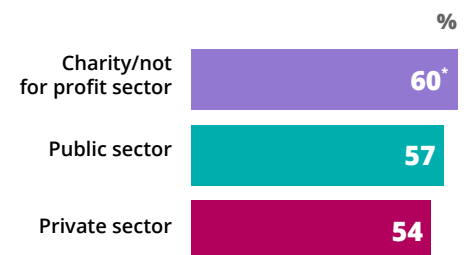
*By job level*



## FCIPS desirability when recruiting by sector



## Chartered MCIPS desirability when recruiting by sector



**MCIPS: The global standard for the profession**

Find out more about how MCIPS can accelerate your career

\* indicates low base number of respondents

# It's competitive out there – what can you do?



41%

**respondents saying that “competition from other employers” is a challenge when recruiting, up from 20% in 2021**

Scott Dance, Director, Hays Procurement & Supply Chain, explains that recruitment is a challenge but it's also an opportunity for both businesses and employees.



**Interest in procurement careers is on the up, which is of course fantastic news. But with many businesses looking to expand their procurement functions, partly as a result of the precedence they took during the pandemic, job seekers in the procurement industry have a wide range of opportunities to choose from, creating competition between employers.**

**Scott Dance, Director, Hays Procurement & Supply Chain**

Competition from other employers is viewed as a challenge by 41% of procurement professionals when it comes to hiring and retaining staff – up from 20% last year. This is felt most keenly by the charity/not for profit sector.

In some cases a third of people are looking to move roles and 70% of organisations are looking to hire – which creates a squeeze. This might seem frustrating, but it is an opportunity to delve deeper into what it is that attracts people to procurement jobs in 2022 and what encourages them to stay on.

As in all industries, salary is a big factor – but it is not true that the company that offers the most money always wins and retains the best talent. Hybrid and flexible working practices are also a major draw, especially now that, due to the pandemic, employees have experience of working from home.

When people are looking for new jobs one of the first questions they ask is: 'Is this a hybrid role?' Yet, believe it or not, some businesses are still trying to get people to work in the office more often than not. And they are the ones who are losing candidates.

Greater flexibility increases the pool of talent available to hirers. For many employees, it is critical to balancing professional commitments with their personal responsibilities. As a result, companies able to provide greater flexibility when it comes to location and working hours and patterns in a role will not only benefit from access to a much wider pool of talent, but also heightened employee engagement, loyalty and productivity.



**In an environment of talent and labour shortage, supply chain leaders anticipate employee expectations to become more demanding and feel that they must prepare to meet those expectations – or lose to competitors that do. With shifting employment models already being explored, supply chain leaders will want to ensure they can drive empathy for non-traditional [hybrid/remote] employees. They'll need the proper organisational structure to do so, including focused leadership roles, such as directors of remote work or robotics.\***

**Suzie Petrusic, Director of Research, Gartner Supply Chain practice**

\* Source: [cips.org/supply-management/news/2022/february/why-is-hybrid-working-increasing-sharply-in-procurement/](https://cips.org/supply-management/news/2022/february/why-is-hybrid-working-increasing-sharply-in-procurement/)

# Employee movement plans



**31%**  
of respondents expect to move role in the next 6-12 months

With job vacancies this year remaining buoyant, it is encouraging to see that there is a real appetite among professionals for finding a new job within procurement. It shows confidence in the profession and in business growth – but also the effect of the pandemic in making professionals re-evaluate their current roles.

Our survey revealed that nearly a third of people working in procurement expect to move in the coming year, up from 27% in 2021, and half of those are likely to move within the next six months.

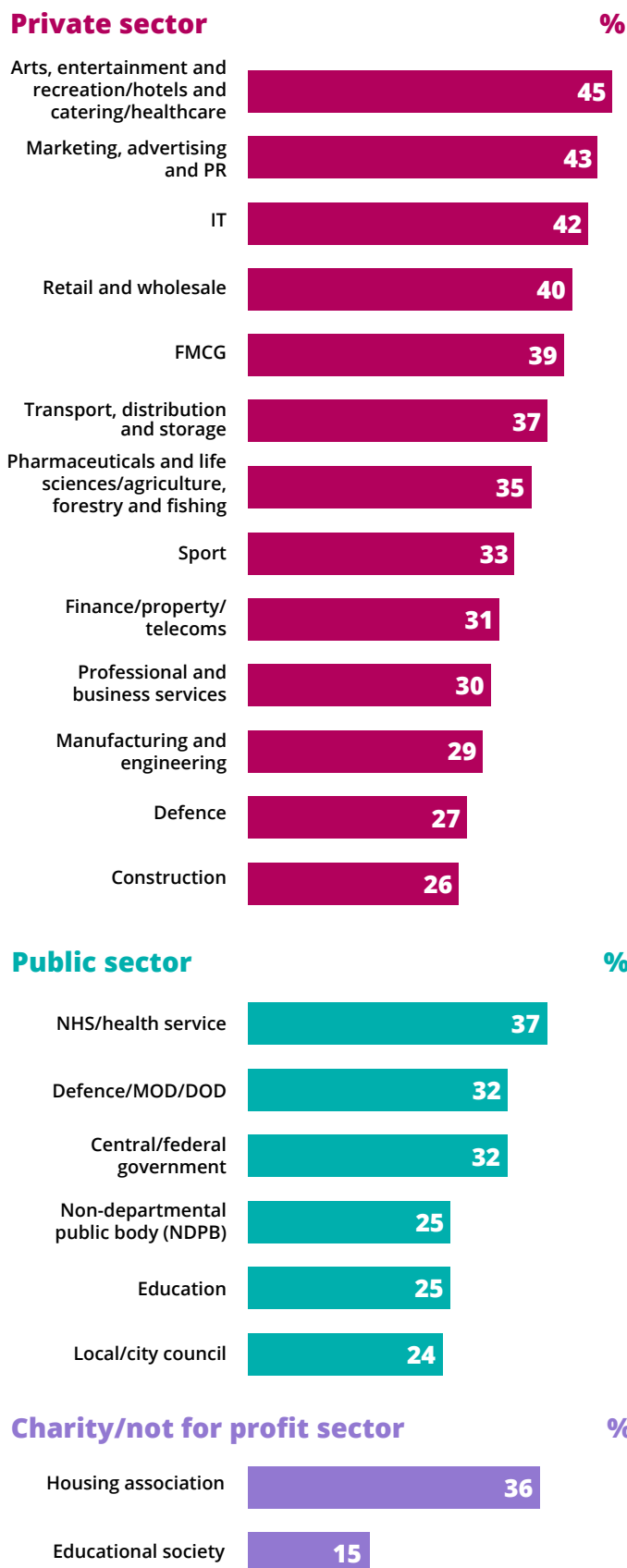
The largest proportional rise is in the public sector but the private sector has the most likely at 32%.

In the public sector, the industry with the biggest proportion of professionals looking to move is the health service at 37%, well above the sector average of 29% – and a significant jump from the 2021 figure at 29%.

The most dynamic recruitment areas in the private sector are the arts, entertainment and recreation, hotels and catering, and healthcare, all with 45% expecting to move. Telecoms meanwhile, which was in top position last year at 57%, fell to the sector average of 31%. This is a sector\* that has embraced work-life balance post-pandemic, which, perhaps is indicative of this shift.

The prime motivations for staying in a job do inform how employers should try to retain staff. We look at this in detail further down, but a strong work-life balance, job security and enjoying their current role are the top three reasons given. And enjoyment always comes with a healthy challenge so if employers treat professionals well and give them career development opportunities and training, they are taking a positive approach to mitigating churn.

## Procurement professionals looking to move in the next 6-12 months by sector and industry



\* Reference: [peoplemanagement.co.uk/article/1745433/how-to-thrive-in-the-new-hybrid-work-world](https://peoplemanagement.co.uk/article/1745433/how-to-thrive-in-the-new-hybrid-work-world)

# Factors driving employee movement

**75%**

of respondents say salary is the most important factor when moving jobs

Salaries drive movement. When we asked professionals about factors they regard as important when switching jobs, three quarters said salary levels, up two percentage points from 2021 – and topping the list of reasons once more. The next factor was reassurance about job security, falling from 71% last year to 66% – another indicator that confidence is growing after an inevitable pandemic hit.

Career progression remains a big pull when looking for a new role. A total of 64% of professionals are motivated by a more senior position, which shows how vital it is to offer a supportive environment with clear progression pathways to current employees. If it is unclear there is a risk staff will look for opportunities outside of your organisation. Regular training is a fantastic way to support employees on their progression through the organisation.

Another major factor when it comes to people moving roles, is the content of work, with 63% citing this as a reason. It is important for managers to hold regular reviews with employees to understand what parts of the job actually motivate professionals. They can then support through training or plan realistic progression.

The top spot in the charity/not for profit sector is flexible working policies. As mentioned earlier, being a flexible employer is a fantastic way of attracting the very best candidates.

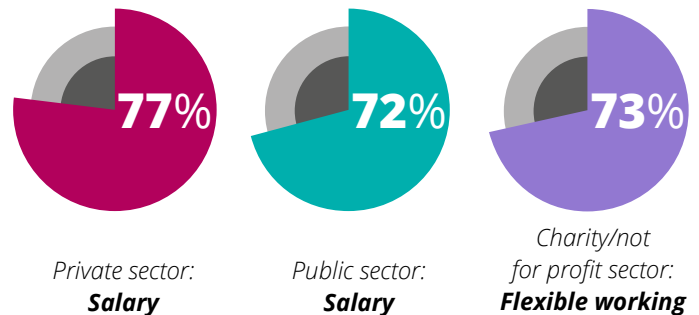


**Hybrid working could be a strong incentive for workers to switch jobs – many of the professionals we speak to say this is now a key priority when they're looking for a new role.**

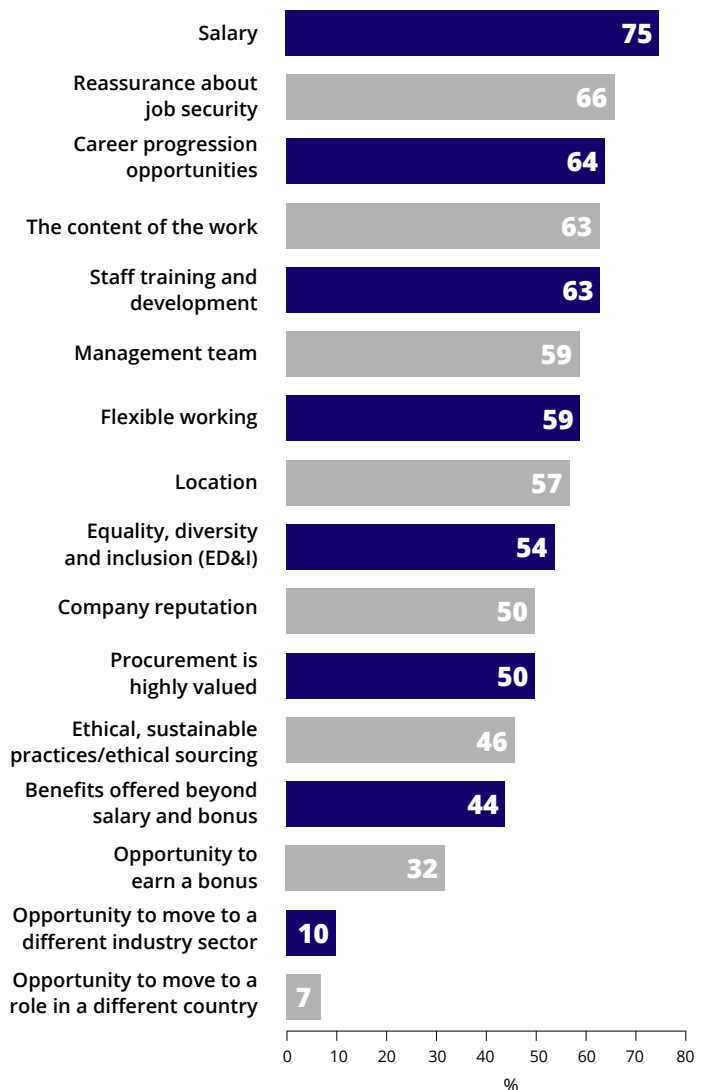
**Scott Dance, Director, Hays Procurement & Supply Chain**

## Most important factor when considering a new job

By sector



By factor



# Factors driving employee movement continued

Interestingly, a number of factors do vary via job level in a spectrum. Salary is a significant motivating factor across the board, but when it comes to career progression or training, those at a tactical level

are significantly more likely to want to move than those more senior – a pattern that shifts as professionals progress in their careers. There’s a similar pattern when it comes to job security and a commitment to ED&I.

## Most important factor when considering a new job by job level

The top-five factors at Tactical level and how those factors compare with other job levels by percentage

	Tactical	Operational	Managerial	Professional	Advanced Professional
Career progression	79	71	64	58	46
Salary	77	75	80	73	68
Training and development	76	68	62	60	47
Job security	75	74	67	64	40
ED&I	63	55	52	51	49



The most successful supply chains of the future will likely be those that build accelerated capability building into their DNA. These organisations will use mechanisms such as communities of practitioners and in-house supply chain academies to share emerging best practices and deliver training at scale.\*

McKinsey & Company



When candidates are speaking to us about why they’re looking to move, the main reasons they typically give are that their current salary is too low, or they don’t see much opportunity for progression at their current organisation.

Scott Dance, Director, Hays Procurement & Supply Chain

\* Source: [cips.org/supply-management/news/2022/march/do-you-have-the-right-skillset-to-future-proof-your-career/](https://cips.org/supply-management/news/2022/march/do-you-have-the-right-skillset-to-future-proof-your-career/)

# Employee movement plans: by gender

**70%**

**of women are motivated by a company's commitment to staff training and development**

Our survey shows nearly a third of people working in procurement expect to move jobs in the coming year, and half of those within the next six months. The proportion, 31%, is a rise from 27% in 2021 – back to the same level as 2020. So how does this break down?

Women highly rate reassurance about job security (71%) and training and development (70%) as reasons to move. More men (60%) cite career progression than training and development at 56%.

## Customise to attract talent

The biggest motivating difference was in a company's commitment to equality, diversity and inclusion, ranked eighth most important by 62% of women... but only by 45% of men. That said, salary is the overarching motivating factor for both genders and, fundamentally, employers need to remain competitive.



**Recognising that every employee is different helps improve attraction and retention. If you can customise your attraction strategies with individual preferences in mind, you're going to have more success.**

**Scott Dance, Director, Hays Procurement & Supply Chain**

Women are marginally more likely to want to move jobs than men in the next 12 months (15% to 17%) but tie at the six-month level (both at 15%). And there were two other patterns that emerged from the data:

- Career progression is more important to women, with 68% of them citing it compared with 60% of men.
- Women seem more inclined to mention motivating factors than men, returning higher response rates in all but two of the motivating factors – perhaps indicating a more holistic approach to employment, above and beyond compensation.

## Importance of different job factors by gender

● Women ● Men

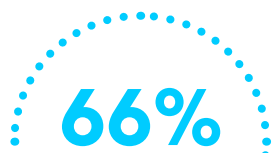


**60%**

**of men rate career progression as very important – above training and development**



# Employee movement plans: by age



**66%**  
of respondents across all age ranges put the content of the work in their top five group

Our results show that salary is the main motivation to move jobs for those under 45. More specifically, 81% of the under 35 group cite this as very important, ahead of career

progression opportunities at 79%. It is not till the 45+ age band that more people really prioritise content of the work, although salary is still hugely significant. As we gain more experience we know what part of our professional lives we find most rewarding; work has to be interesting. There's a clear, almost linear progression of importance on the content of work as respondents progress their career.

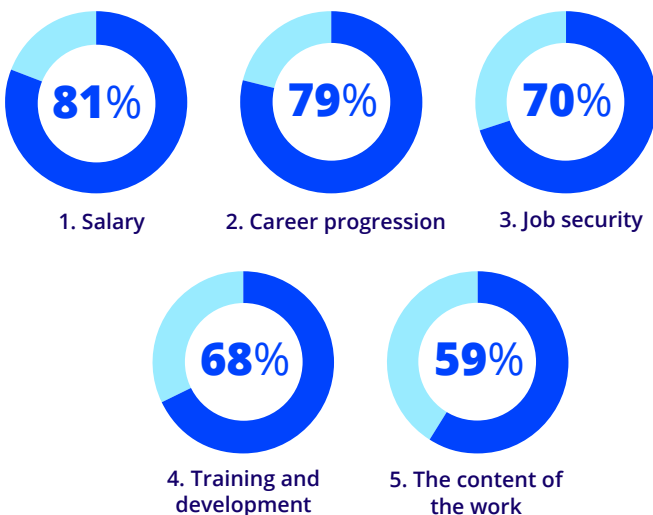
But overall there is a fair degree of agreement between age bands.

Just eight different factors are in the top five groups. Training and development appears only in the top five of the under 35 group, whereas 'procurement being highly valued' is only in the 55+.

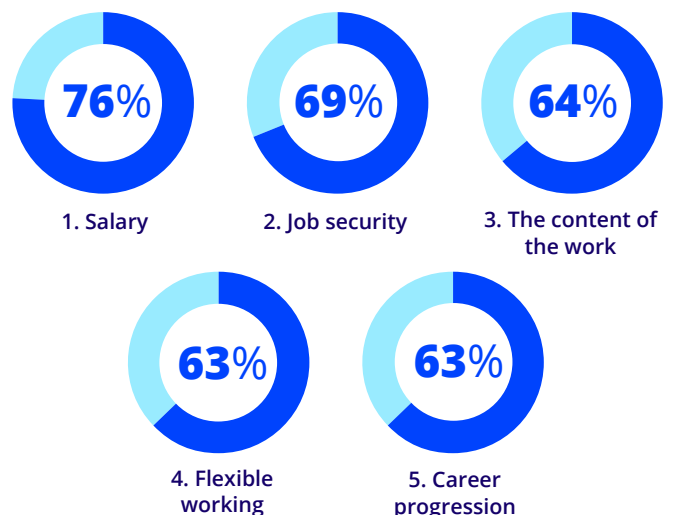
Flexible working policies is in the top five only in the 35 to 45 age group, a group that, demographically, contains the most parents of younger children. And 'location' is in fifth place in both the 45-54 and 55+ brackets.

## Top five important job factors when considering moving by age

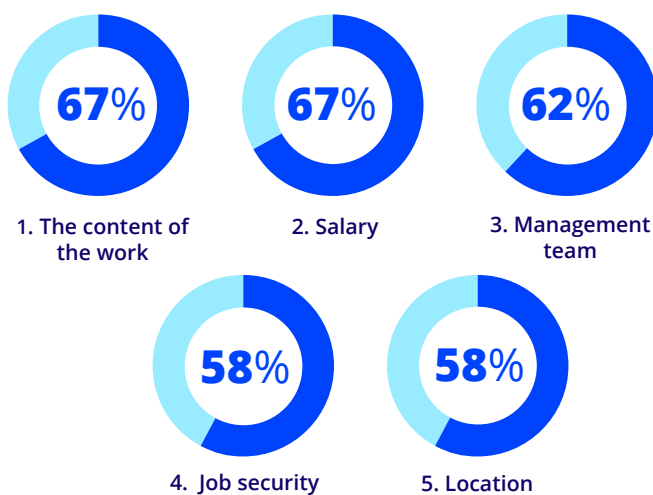
### Under 35



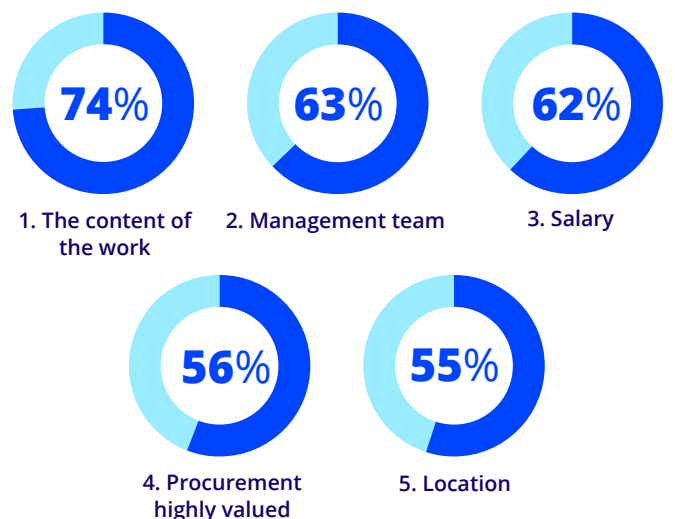
### 35-44



### 45-54



### 55+



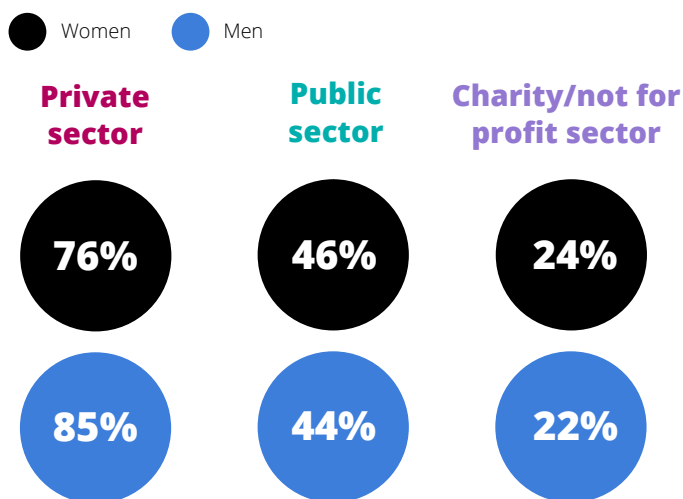
# Employee movement plans: by industry



would look for a new role in the private sector

The private sector is the most likely place for both men and women to move to. At 80% for all genders, this was 4% higher than in 2021. In fact, there was a rise of between four or six percentage points in both men and women respondents saying they would consider a move to any of the sectors, indicating an increased buoyancy around job changes.

## Sectors respondents would most likely consider a new role in by gender



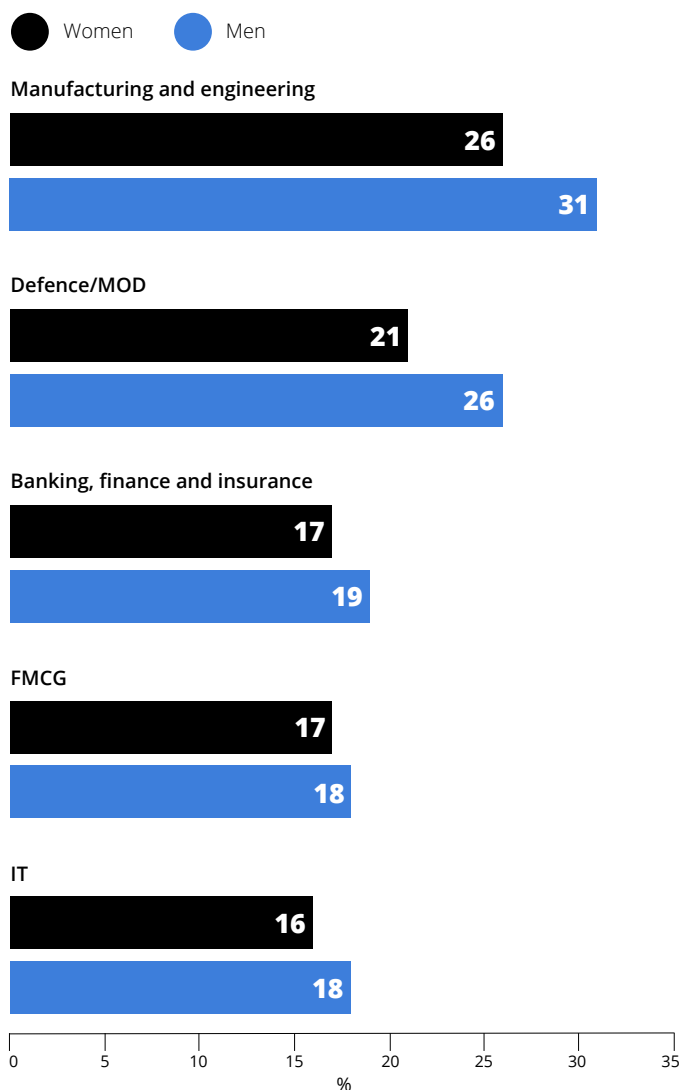
Gathering gender-disaggregated data and assessing risk is crucial for protecting workers and improving gender equality.\*

Jessica McGoverne, Director of Policy and Corporate Affairs, Sedex

Men were more likely than women to consider making a private sector move, at 85% to 76%. The public and charity/not for profit sectors, meanwhile, are favoured more highly by women than men.

Asked which three industries, regardless of sector, they would consider working in, as a profession our results show changes since last year. Sport and construction fell out of the top five industries for men, replaced by FMCG and IT, a trend perhaps down to higher investment in these sectors and more interesting projects in recent times. But the top three industries – manufacturing and engineering, defence/MOD and banking, finance and insurance – remain in the same order.

## Top five industries respondents would consider working in by gender



\* Source: [cips.org/supply-management/news/2022/march/lack-of-opportunities-for-women-to-enter-procurement/](https://cips.org/supply-management/news/2022/march/lack-of-opportunities-for-women-to-enter-procurement/)

# Reasons for staying put

**40%**  
of respondents cite retaining their current work-life balance as a reason to stay in their jobs

Retaining current work-life balance tops the list when we asked those not expecting to move jobs over the next couple of years why they are planning to stay put – the adoption of hybrid working and more flexible employment is having an impact. Two fifths (40%) of people cite it, a rise of 10 percentage points over the previous year. Job satisfaction is close behind: “I enjoy the job I have now” is at 39%.

Other factors tend to be cited less often. As we come out of the pandemic, job security comes third, with just over a quarter of respondents citing it.

The availability of home or remote working to procurement professionals has changed since 2021 when working-from-home guidance had been in place for much of the year. With pandemic restrictions lifted, there's a marked shift in flexible working arrangements, with fewer respondents offered remote working, flexi-time and compressed hours, although the

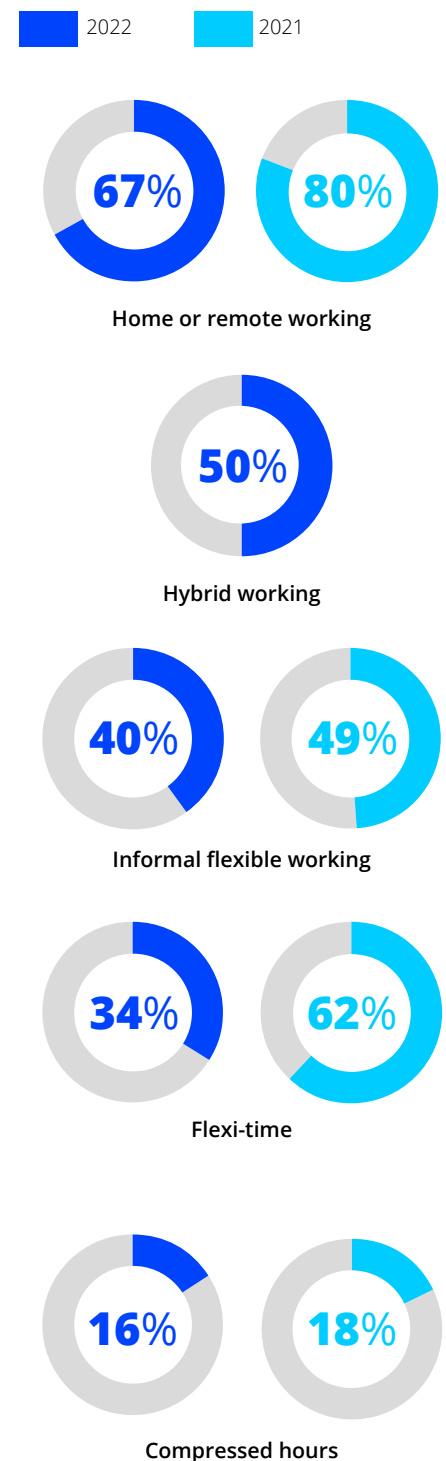


**Companies able to provide greater flexibility on location and working hours and patterns in a role will not only benefit from access to a much wider pool of talent, but also heightened employee engagement, loyalty and productivity.**

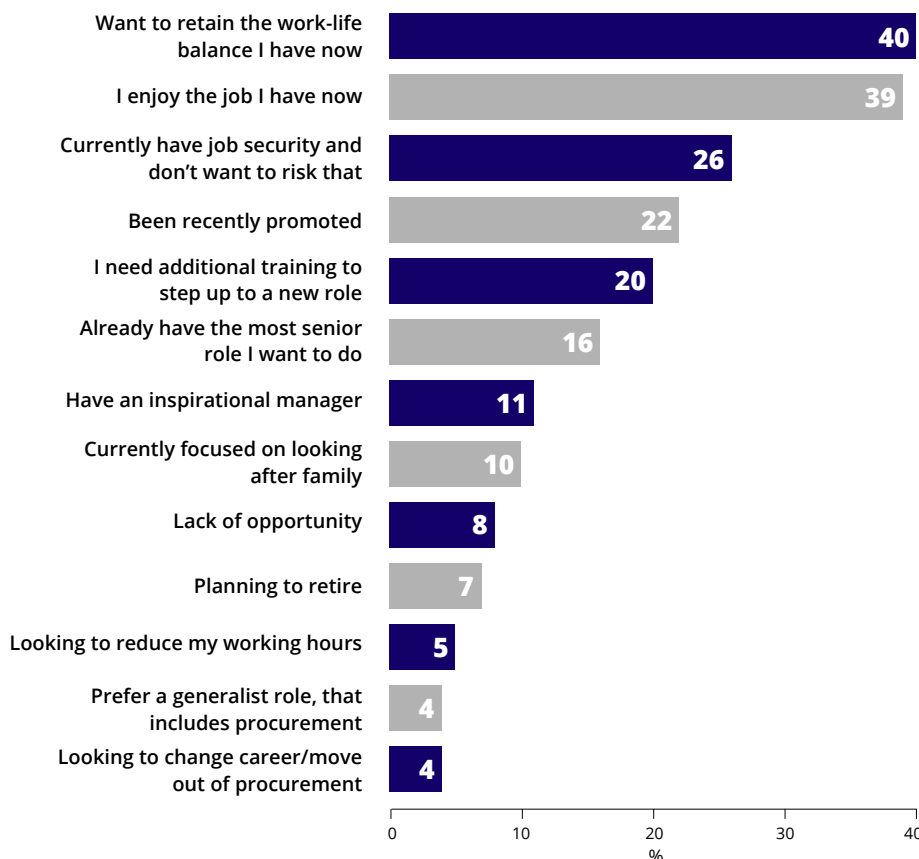
**Scott Dance, Director, Hays Procurement & Supply Chain**

numbers are still strong. However, half of respondents refer to hybrid working in 2022. A fall in remote working, an increase in hybrid working, and a rise in recruitment challenges – factors that are of interest even if not directly linked.

## Top five flexible working arrangements offered



## Reasons for not changing job



## CASE STUDY



# The intangibles that attract and retain new talent

“People like to feel part of the business,” says **Lauren Jones, Partner and Procurement Manager** at the **John Lewis Partnership**. And that’s essential in retaining and attracting talent...

“They feel they get out of the job what they put in and that’s rare and special.”

The John Lewis Partnership is the UK’s largest employee-owned business. It is also the parent company of two of the UK’s most famous retail brands: John Lewis and Waitrose, owned in trust by 80,000 partners.

It’s an organisation that sources own-brand products from over 50 countries, while factories that manufacture or assemble its finished products total over 1,700.

Jones says that procurement is seen as increasingly critical due to rapid market changes and cost challenges, and that as a function it is more diverse in terms of skills and backgrounds. While more people are seeking CIPS qualifications, practical experience and knowledge is also important, along with the right skill set, transferable from other areas.

### Procurement opens up opportunities

“Companies are more aware of how procurement enables effective trade, and they create new roles in strategic departments, which is attracting new talent. People in operational roles also want to find out how their skill set crosses over with departments such as finance or legal,” she says.

“People on the selling side are realising they can use market knowledge and negotiating skills to add value and insight to procurement. Speciality and negotiating expertise are really important in a competitive market. The talent is out there,” says Jones, but it is a very competitive market for employers.

Jones is enthusiastic about our profession and its importance to wider business: “Procurement opens up opportunities because the skill set is transferable. People need to be encouraged to find their specific areas of interest in procurement, along with flexible policies, and a work-life balance, then companies will find that new talent falls in love with the idea of joining and then staying.”

## Jones’ three essentials to attracting talent

1

### Work-life balance – including location and travel

“[Candidates] ask me: is it working from home? How often do they need to be in the office? People need to socialise and meet face to face. People aren’t looking to work from home all the time, but have realised the benefit of not commuting every day and the flexibility to work from home a few days a week.”

2

### Inclusion and diversity attracts and retains talent

“I’m a huge advocate of diversity and I’m on the supplier diversity board for the UK. People ask what our business is doing [for equality, diversity and inclusion] but also want to know about our supply chain: who will they be working with, what are we doing in the market to support diversity or affect change.”

3

### The whole financial package

Salary is important, Jones says, but people are looking for additional financial rewards. The John Lewis Partnership offers a leisure-learning subsidy and subsidised theatre tickets. In addition, the company paid the voluntary Real Living Wage, nationwide, in 2021. The company also paid its Partners a bonus of 3%, in 2021, equivalent to 1.5 weeks’ pay. “That’s such a positive benefit. People want to feel part of the business. Companies need to ask what they can do to help employees and their families on a wider level?”

# 4

## **Diversity 2.0: How to seize the opportunity of greater ED&I**

Equality, diversity and inclusion in a workplace isn't solely about addressing inequalities, prejudices and discrimination. It also builds team strength, attracts top talent, and inspires creativity and innovation. Simply, it helps individuals, and their teams, reach their full potential.

**It is pleasing to see that a large majority of procurement professionals understand the importance and benefits of equality, diversity and inclusion to the profession.**

Our survey results show that 89% of professionals believe a diverse and inclusive workplace culture creates a more attractive place to work and that this in turn increases access to skills from a wider talent pool. Other figures are also impressively high – with 87% agreeing that diversity creates a more open and trusting environment.

Yet, encouraging as these figures are, it's crucial that this understanding leads to consistent, scaleable action. That is the only way to shift the dial significantly. "Now is the time to walk the talk," as one respondent put it.

How will the profession translate positive intentions into practice, creating a dynamic workplace for



**89% believe a diverse and inclusive workplace culture ensures a more attractive place to work**

talented individuals, that values excellence over uniformity and familiarity, where all voices are heard and individuals respected? Responding quickly is imperative, and will enable organisations to reap the many benefits of improved ED&I across teams, whether this is a more innovative culture, greater productivity or higher employee engagement.

"There is now a very significant opportunity for organisations to make tweaks that may seem small but collectively make a difference, both to procurement as a whole, and the individuals working within it. To not do so presents a risk to the

profession not being able to attract the individuals it needs and wants," says Yvonne Smyth, Group Head of Equity, Diversity and Inclusion at Hays.

"It's important to recognise that characteristics like race, age, gender and sexual orientation can't be viewed in isolation, but combine in unique ways when it comes to perceived disadvantage and discrimination. The word 'inclusivity' is often associated with 'fitting in' – but the whole point of cultivating an inclusive workplace is to ensure people feel comfortable being themselves and embracing their differences, and through that blend, creating a different culture."

"By making it clear that different communication styles, different creative processes and different channels of thought are welcomed, you are creating a sense of belonging, meaning people are much more likely to feel excited by and committed to your organisation's purpose."



**For my senior leadership team, I purposefully hire people with different backgrounds, experiences and knowledge. I want to give visibility to international talents, so I also enlist people who come from other industries and functions.**

**Angela Qu, former Chief Procurement Officer, Lufthansa Group**



**For lasting economic and social value, inclusion must be the heart of leadership intentions and behaviours. This is a powerful signal of corporate commitment to belonging so people feel valued for who they are and can reach their full potential.**

**Savita Mace, FCIPS; MSc Director – Supplier Management, AstraZeneca**

**VISIT: CIPS ED&I hub**

*Promoting, supporting and encouraging ED&I within procurement*

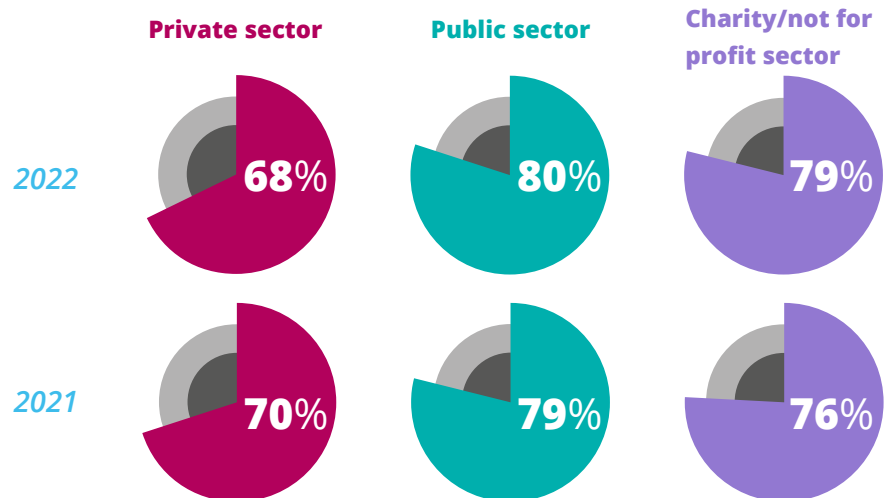
# Diverse and inclusive hiring practices

**72%**  
say their organisation is committed to developing a diverse and inclusive team

The survey results show organisations are committed to ED&I, with some improvements in public and charity/not for profit sectors and a small dip in the private sector (68% from 70%). Since the question is about perception, there are various ways to explain the drop. Awareness in ED&I grows yearly, and expectations are higher. The main question is are organisations doing enough to meet the expectations of a much more informed workforce?

The answer to this is not overwhelmingly positive. Perception from procurement professionals is their organisations are not doing as much as they could when encouraging diverse and equitable hiring practices:

## Is your organisation committed to ED&I?



the proportion agreeing their companies are proactive in sourcing more diverse candidates has fallen in all sectors. Though a majority in the public sector and charity/not for profit sector still agree, percentages have fallen to 55% from 73% last year in the public sector – and to 56% from 74% in the charity/not for profit sector. In the private sector, just 45% of respondents reported a commitment to proactive

sourcing of diversity, a 20 percentage point fall from 2021.

These are significant shifts. Yes, the increased awareness of ED&I issues feeds into this result but also the working experience plays its part: if organisations are not explicit about their strategies and goals – then employees are less likely to believe it's happening.

# Reasons to engage in diverse and inclusive hiring practices

**87%**  
believe a commitment to ED&I creates a more open, trusting workplace and improves staff retention

ED&I in workplaces is not just a way of addressing inequality, prejudice and discrimination – vital though those are. It also strengthens teams, helps attract the best talent, stimulates creativity and innovation, and helps employees reach their full potential. According to the results of

our survey, that's the overwhelming view of professionals, who believe diverse and inclusive workplaces bring tangible benefits across the board.

The benefits are not limited to sentiment only. Three-quarters of respondents say a diverse and inclusive team leads to improved productivity – hard and measurable results essential in today's world.

This result shows that ED&I is a measurable success factor that directly impacts an organisation's results; you can see the difference on the bottom line.

## Benefits of a diverse and inclusive workplace culture



# Practices to support diverse and inclusive hiring

**52%**  
**use unbiased language to describe vacancies, organisations and culture (across all sectors)**

While there are high levels of enthusiasm and support for more diverse workplaces, effecting change on a large scale should be viewed as a journey, or work in progress, hence the degree of contrast currently sitting between

these beliefs and the actions needed to realise them.

So, while 52% of respondents across all sectors say they use unbiased language in recruitment, that means 48% do not. This reveals a discrepancy between intent and action, as there is a downward trend from last year's survey, which reported 61% using unbiased language last year.

This shows the importance of following through on a commitment to ED&I. The profession needs to take action to ensure they're keeping up and not getting left behind.

Looking at the sector breakdowns also reveals contrasts. In the charity/not for profit sector, 60% report that their organisation ensures that recruitment imagery and branding reflects a diverse workforce. The comparable figure in the private sector is 30%.

There is also a significant difference between sectors in the use of diverse interview panels. In the public sector, 48% say panels are diverse while in the private sector, that figure is 22%. While these figures are a small improvement on last year, there is still much more work to be done in this particular area.

## Practices to support diverse and inclusive hiring

	Private sector %	Public sector %	Charity/not for profit sector %
Using unbiased language to describe our vacancies, organisation and culture	48	58	71
Providing training for hiring managers to reduce unconscious bias when hiring	37	56	38
Offering remote working roles to access more diverse talent in other geographical locations	30	41	54
Ensuring that imagery and branding in our recruitment material reflects a diverse workforce	30	41	60
Ensuring diverse interview panels	22	48	32
Implementing diversity recruitment targets	18	23	20
Analysing job application data to understand which advertising channels produce a diverse mix of applicants	17	22	32
Advertising on recruiting platforms that cater to underrepresented groups/communities	16	24	20
Working with specialist recruitment agencies to access underrepresented groups/communities	13	11	11
Setting diversity targets for the recruitment agencies	13	13	15



## CASE STUDY



# The actions that attract, motivate and encourage a diverse workforce

Bringing in diversity at leadership level is a great way of appealing to talent from outside markets, according to **Lufthansa Group's former Chief Procurement Officer, Angela Qu**

The Lufthansa Group is one of Europe's leading aviation companies, with headquarters in Germany and operations worldwide. It has more than 100,000 employees and last year generated revenue of €16,811m. During her time as CPO, Angela Qu led a team of more than 350 people, promoted diversity and inclusion within Lufthansa's procurement division and championed a more diverse and inclusive workforce that contributed to the overall success of the company.

### Diversity at leadership level

Leadership level is the perfect place to start when diversifying an organisation, Qu says, as it attracts talent from outside markets. Speaking of her approach to teams while at the company, Qu said: "For my senior leadership team, I purposefully hire people with different backgrounds, experiences and knowledge. I want to give visibility to international talents, so I also enlist people who come from other industries and functions."

### Language diversity

At Lufthansa, there is a conscious effort to challenge language barriers by hiring people who are not German speaking or German nationals. "I use English in all correspondence and start every meeting in English. Interestingly, that policy makes communication easier. English is our second working language and the words we choose are straightforward, which results in better communication."

### Building a network

During a podcast on International Women's Day a few years ago, Qu asked her team how she could build a stronger support network, focusing on the advancement of women in the group. "Based on feedback, I established a Women in Procurement Network in 2021, which is a learning network. It quickly opened to all functions, because inclusion starts with the network."



**For my senior leadership team, I purposefully hire people with different backgrounds, experiences and knowledge... I also enlist people who come from other industries and functions.**

"The network has three major areas: inviting industry leaders to share their learnings and significant life events, and their leadership principles; peer consulting and support with certified trainers for coaching; and mentoring, delivering specific sessions to help participants build skill levels and mutual support in a safe environment. They talk about life stories, leadership and learnings."

"We have about 400 participants from all regions and functions, with positive feedback about their experiences and learnings. For me, this is very rewarding."

### Performance and stability

These policies have produced a resilient team, diverse and collaborative enough to stabilise procurement and the supply chain during the recent period of high volatility, Qu said: "Team members have grown closer, building on each other's successes to improve performance across the entire procurement and supply chain – this has led to direct, tangible, measurable improvements on the major KPIs." The teams doubled their saving performance during a difficult period that saw their spend reduced by 60%.

### The recruitment problem

Hiring talent into the procurement supply chain is a challenge, Qu explained, because people from other functions often don't understand the role of a procurement professional. To combat this, Lufthansa has a Spotlight Talent initiative that helps potential employees understand the profession.

As part of this, Qu created one-to-one meetings with prospective talent, to provide a clearer picture of the world of procurement and the roles within it. "It's also about inspiring and motivating people to come to a function of which they have no previous knowledge."

Qu said that as a company Lufthansa moved forward but diversity and inclusion still have a long way to go. "We've had success, but we can be so much stronger!"

# 5

## Interims

Interims provide much-needed procurement expertise or a short-term solution to the skills gaps businesses often face when implementing transformation projects. Being an interim offers flexibility and variety – something many survey respondents value highly.

The most striking aspect of the recent experiences of interim procurement professionals is that the day rate has bounced back from the slump in 2021. This is particularly true for women, with the pay disparity between genders now nearly non-existent.

It's clear that 2021 was an unusual year, with day rates likely flattened by general uncertainty around the Covid-19 pandemic and the

**£551**

is the average interim day rate

resulting caution about developing major projects.

This year projects have tended to be longer in duration, with most lasting between six and 12 months. Interims

are often experienced professionals, the majority over 45 years old. Redundancy is not a major reason for taking on such roles – just 16% of respondents named job loss as a reason for providing services as an interim.

A desire for flexibility was more of a driver, cited by 26%. As with permanent employees, interims want to have access to flexible and remote working.

### Day rates over the past three years by gender



We're seeing a continuing increase in the number of procurement vacancies registered, but what is just as notable is the surge in temporary hiring – interims remain critical to organisations looking to harness business efficiencies and keep projects on track.

Scott Dance, Director, Hays Procurement & Supply Chain

# Interims by role



## the typical number of years' experience of interim workers in procurement

According to the survey, the need to hire interims is rarely due to skill shortages. It's more often due to projects being finite, they need the expertise, and don't have the headcount budgets.

The most frequently cited reason across all sectors is the need for additional resources. This was given by a majority in all three sectors and by 64% in the charity/not for profit

sector. This is the same pattern as last year, although the proportions differ. The second most likely reason is recruiting for a one off or specific project, which is mentioned by approximately a quarter of respondents in all sectors.

In the private sector, the need for hiring of additional resources has jumped, up from 41% last year. This is likely due to an increase in new projects as businesses move forward with their post-pandemic plans.

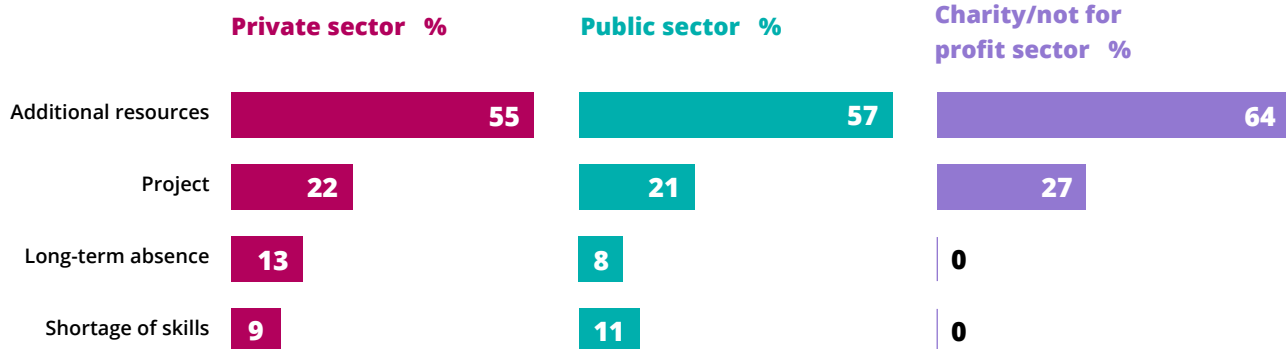
Phil Clark, Commercial Consultant and CIPS Affiliate, explains that there are more projects that permanent staff simply can't take on: "There's a big market for short-term interim resources to help tackle a particular

issue within a business supply chain over and above a business-as-usual job. The interim market is buoyant."

This is in contrast to the charity/not for profit sector that mainly uses interims to dial-up resources when needed. A per-project reason drops from 32% in the private sector in 2021 but leaps from 0% to 27% in the charity/not for profit sector.

The implication here is that managers hire interims because of a need for short-term additional support or for specific fixed-length projects. Whatever the reasons for engaging, interims remain in demand albeit with the added complexity of IR35 for larger organisations; IR35's full effects are beginning to be felt.

## The reasons for hiring interims



Senior procurement interims are a vital resource for organisations looking to keep their procurement programmes efficient during transformation projects, which have accelerated in pace as a result of the pandemic. Employers are also beginning to feel the full effect of IR35 reforms in the private sector, which shifted the responsibility of determining the tax status of a Personal Services Company (PSC) worker from the individual to the engager. A clear strategy for determining the tax status of existing PSC workers has been essential for organisations if they're to retain access to the skills they need.

Scott Dance, Director, Hays Procurement & Supply Chain

# Interims: duration and project type

**26%**

**of interim roles involve change and transformation projects**

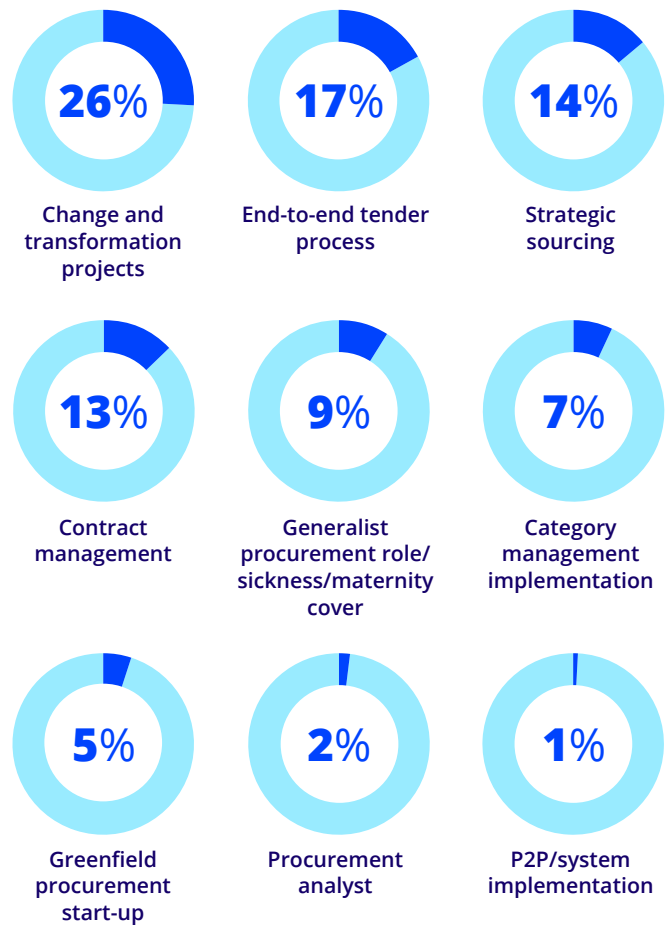
As last year's report stated, the largest single project type was change and transformation, cited by 26% of interim respondents – very similar to 27% in 2021. There were fewer hires in end-to-end procurement – 17% this year compared with 26% last year. This suggests a trend of companies hiring interims for strategic project delivery rather than more tactical roles.

Contract management (13%) had been growing in significance since it was first listed in the top three interim project types in 2020. This year it has been slightly outstripped by strategic sourcing at 14%. As businesses face pressure from global political events, whether it's supply chain crises, conflict or pandemics, strategic sourcing comes under pressure and increases in importance. The challenges of managing supply chain risk and costs while maintaining quality is a key part of strategic sourcing. It's also an area where specialists can have an impact. A good example of this is the ability to source particular critical items that may be small, yet are vital to business operations.

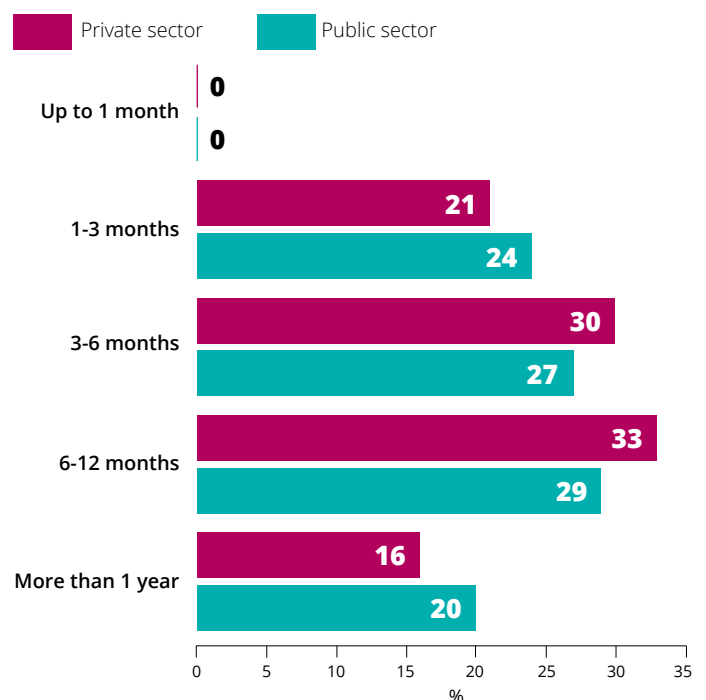
According to the survey results, 21% of private sector professionals were assigned to an interim contract of between one and three months – and this figure goes up to 24% in the public sector. Longer assignments, of a year or more, are more common in the public sector (20%) than the private sector (16%).

Across these two sectors, 82% of contracts last less than a year, and most last between six-12 months – 66% in the private sector and 56% in the public sector.\*

## Interim project type



## Duration of interim contract by sector



\* There is no data for the charity/not for profit sector because of the low number of respondents

# Interims: where and why

**26%**  
are drawn to interim work by the flexibility it offers

**49%**  
would undertake multiple interim roles at a time

There have been some notable changes in the reasons given for working as an interim over the past year. The pandemic has led to significant reappraisals of professional lives across all sectors and functions, including procurement. Flexibility tops the list this year with 26% of respondents, a slight rise from 23% in 2021. This year we see the variety of work/experience gained fall from first to fourth place, cited by only 16% of respondents.

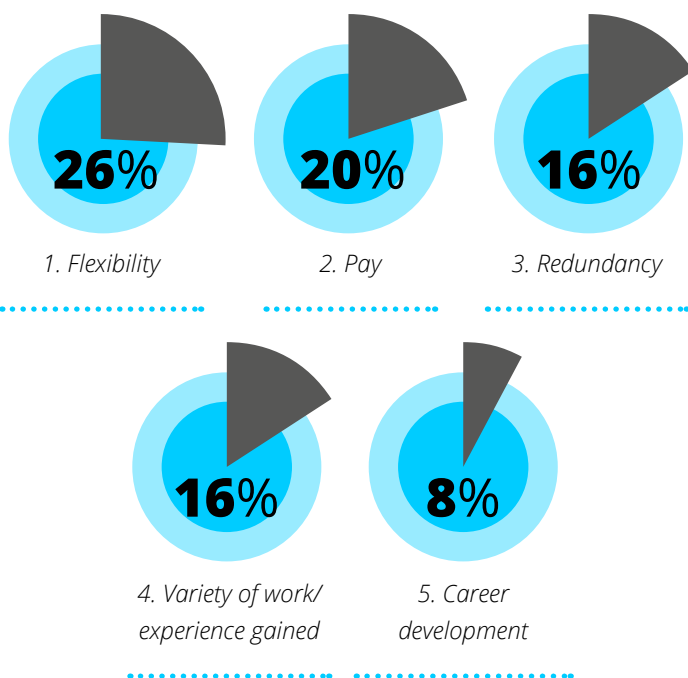
Another significant movement is in pay, cited by 20% of respondents this year, compared with only 6% last year. Overall, financial rewards and flexibility make being an interim an attractive proposition. The overall average day rate has increased this year, interims appear to command higher rates, and thanks to hybrid working, location broadens the scope of potential work: you can stay in Manchester and work for a London company more easily.

Concern last year that redundancies following the pandemic might push more people into interim contracts do not seem to have been borne out – but what Hays has experienced suggests that if it wasn't for the tax implications due to IR35, the numbers of contractors would be higher.

London is the most popular region for interims, with 28% undertaking an assignment here in comparison to 14% last year.

Meanwhile, 14% are in the South East, a slight rise from last year (13%). A further 12% are in the East Midlands, whilst the South West have 10%, as do the West Midlands. The reason the number of interims has doubled in London is in line with a rise in hybrid working practices. When location ceases to be significant and onsite working is less important, professionals across the country are more likely to accept assignments in the capital.

## Top five reasons to become an interim



There is a lot of accumulated experience among procurement professionals who take on interim roles. Around 70% are aged 45 or older, and 42% are aged 55 plus. Younger people do work as interims but with just 14% aged under 35, they are the exception.

## Interims by location

Region	%
London	28
South East	14
East Midlands	12
South West	10
West Midlands	10
Scotland	8
North West	6
Yorkshire and Humber	3
Wales	3
East of England	1

# Interim day rates

**£551**

**average day rate for interims (across all sectors), compared with £453 last year**

Procurement professionals providing services as interims report better remuneration this year than last. Women in particular have seen a dramatic surge of 50% in their average day rate – to £548 from £365 in 2021. The rate for men rose more modestly, a 12% rise to £553. This has closed the interim gender pay gap we reported last year of 35% to 1% this year.

The rises in day-rates are in-line with an improvement in the perception of procurement – organisations more fundamentally understand the profession’s value, how it can mitigate business and operational risk, and impact the bottom line. This also reflects a bounce-back after the pandemic hit day rates in 2021. As the perceived value of procurement to organisations improves, and work and projects return to something approaching ‘normal’, so have the day rates for interims. The results also suggest that organisations mostly hire interims for finite projects and projects that may have been on hold through the years of uncertainty.

Another important factor to consider is that the average is across the board, for all job levels. So it would be premature to assume the rate for specific functions and assignments has risen. It may be that the roles for contracted work in the past year are at a higher level, and so attract a higher day rate than during the year when lockdown roles would mainly have been operational. Also, employers are spending more now with suppliers; when spending goes up they need more expertise to control and monitor it.

The average day rate for procurement interims was considerably higher in the private than the public sector, a big turnaround from 2021. A year ago, interims in the public sector were paid marginally more, at £459 compared with £447 in the private sector. This year there is a £92 a day difference, with £601 the average rate in the private sector compared with £509 in the public sector.

## Interim average day rate by gender

● Male ● Female



## Interim average day rate by sector

● Private sector ● Public sector



## CASE STUDY



# Interims: Adding value with knowledge and experience

They work on projects of all shapes and sizes – and can have control over their own futures. The life of an interim is varied and fruitful, explains **Phil Clark, Commercial Consultant**

“Procurement is becoming more attractive and more professional because of the changes in the world,” says Phil Clark, a Commercial Consultant and CIPS Affiliate who’s active in the South of England CIPS branch. He’s been an interim since 2014, generally in procurement and commercial roles.

Interim workers provide a short-term solution to a shortage of skills, and are often experts in specific areas of procurement. Because Clark is a technology specialist, he works on large projects such as his current work within a central government department supporting major IT transformation.

He believes the role of the procurement professional has expanded and is more in the spotlight as business owners and shareholders are worried about sourcing and purchasing in an increasingly unpredictable world. As a technology procurement consultant, Phil works in one specific category, but he sees increasing focus across the board on sourcing products, getting a balance of the best terms and broader value, and building resilience in the supply chain.

“The procurement profession is no longer seen as an admin function checking invoices and purchase orders,” he says. “It’s more strategic, and the work is a lot more interesting. Interims are increasingly seen as contributing to the business output.

### Small can be vital

He provides an example of a small business with a particular problem with sourcing or getting hold of particular products from a particular region – as a potential interim project: “It could be a very small project but could be a very critical project for a small business. It’s not so much that the projects are getting bigger, but there are more of them. It just tends to happen that the projects in bigger companies are, by definition, bigger.”



**For me, procurement is about reviewing people’s supplier base and processes to support the best outcome.**

In his career, Phil has worked on more than 25 different client projects and says that CIPS is the most respected de-facto certification: “Most companies I work with encourage permanent staff to get CIPS qualifications. It’s a good way to network and build a community. Certainly, CIPS affiliation, qualification, or membership helps open doors.”

He adds that a professional interim adds additional value to a business through the range of knowledge amassed across various businesses and projects.

“Once you get your head around the learning points of each project, you can then apply that understanding and

knowledge to the next project. There are advantages you can bring as an interim that might not be available from a permanent member of staff.”

### Wide base knowledge

He says that while a permanent person may have stronger experience in one particular aspect or industry, the procurement interim is often a generalist with transferrable knowledge, skills and experience.

The IR35 changes implemented in 2021 brought new challenges to the interim sector, as legislative reforms in the private sector made companies/employers responsible for determining the tax status of a Personal Services Company.

“The world got more complicated because taking on an interim to do work that someone internally could do meant possibly falling foul of some tax rules,” says Clark.

But the market for interims continues to expand. Clark cites projects ranging from a review of a particular category, the development of a strategy around procurement, the execution of an individual project, to designing a commercial solution to a particular situation.

“There’s a big market for short-term interim resources to help tackle a particular issue within a business supply chain over and above a business-as-usual job. The interim market is buoyant,” he says.



# The key takeouts

In times of uncertainty, the procurement profession has risen to the challenges. With war in Ukraine, rising energy and fuel prices as well as significant industrial action on the horizon, there's further uncertainty and pressure on already squeezed supply chains. Organisations' reliance on our skills is only heading in one direction. Here are the key takeaway numbers.

**62%** of professionals feel the perception of procurement has improved the past year

The headline news is that the profession's significance is growing year on year. A wider range of stakeholders, organisations and industries increasingly value procurement's contribution. Internally, the findings in this guide show that, in all sectors, colleagues are increasingly alert to procurement as a vital strategic function. It is now beginning to earn its place at the highest organisational levels.

**4.9%** annual average rise

Buoyant salaries are a clear indicator of the value of any profession, and in procurement they continue to rise. At 4.9% the latest annual average rise is ahead of salaries generally. The average procurement salary is £49,743.

**73%** of respondents receive a bonus

Bonuses too are rising. More generous bonuses are received by professionals with MCIPS at 10.7% of annual salary compared with 7.4% for those without MCIPS.

**59%** of employers say finding specific skills is a challenge

The intensified demand for the complex mix of skills needed to fulfil the raised expectations is a challenge. Most organisations, 63%, say they have struggled to find the right procurement talent over the past year. Competition among employers is rising, as are candidate salary expectations. Teams are expecting to

expand. Nearly a third (30%) of employers point to lack of non-technical (soft) skills among job applicants. The need for fully qualified and validated professionals is present on almost every page of this report.

**ED&I** - now is the time to walk the talk

Procurement professionals are convinced that diverse and inclusive workplaces are a way forward, opening up a wider talent pool and ensuring a more attractive place to work. Actual recruitment practices have yet to adapt fully to this, with professionals generally reporting insufficient action in key areas. There has been marginal progress in the gender pay gap at senior levels this year, still at 26%, highlighting that there is considerable work still to be done if we are to tackle inequality.



**These are challenging but exciting times. As professionals we need to rise to the challenge so keep your skills up to date and ensure your teams are professionally qualified. Procurement is an exciting career and there has never been a better time to be part of our profession.**

**Malcolm Harrison, Group CEO, CIPS**



**CIPS Group**  
**Easton House, Easton on the Hill**  
**Stamford, Lincolnshire, PE9 3NZ**  
**United Kingdom**

**T +44(0)1780 756777**  
**F +44(0)1780 751610**  
**cips.org**

