

Procurement Salary Guide 2023

United Kingdom

Key trends and findings



Strength in adversity

Risk, resilience and reward are driving procurement to new heights, says
Nick Welby, CEO, CIPS

At the end of 2022 “permacrisis” became the word of the year, describing an extended period of instability and insecurity. Today, while the global headwinds are changing and the issues facing organisations are subtly different, the situation remains just as difficult.

In tackling these robust challenges, the procurement and supply profession remains at the coalface finding solutions. We have turned the adversities of the permacrisis into strengths and opportunities and, having played a crucial role in ensuring business continuity through the unprecedented period of business disruption, we have had to find new and innovative ways of keeping the wheels turning.

Year after year the reputation of our profession is rising within organisations and across business. Our skills are valued and our sense of the contribution we make to our organisations and economies is increasing.

Salaries and bonuses awarded at all levels of the profession continue to rise and are again outstripping those across the wider economy. The most highly qualified in our profession – individuals who have achieved MCIPS – are commanding significantly higher salaries than their non-MCIPS colleagues and are increasingly sought after across all sectors.

However, it is worth highlighting that behind the positive headlines there is also another picture. Skills shortages, employee turnover, a scarcity of talent, difficulties recruiting and persistent imbalances in salaries measured by gender and ethnicity remain and have a significant and negative impact on society and economies around the world.

Organisations say they recognise the importance of implementing policies that encourage greater levels of equality, diversity and inclusion, such as adopting cultures and practices that match those of both their current and potential future employees. Unfortunately, it would still appear that not enough are walking the talk.

Day to day, procurement and supply professionals are on the frontline minimising risk, reducing volatility, and increasing value and supplier visibility. However, if organisations are to truly embrace and implement important


change such as sustainable procurement policies that deliver real resilience and value over time, they must also embrace the skills and talents of the entire

workforce equally to capture the knowledge needed for success.

With all these trials and tribulations, the future for the procurement and supply profession is bright. We hold many of the keys that will help organisations unlock a more sustainable and ethical world and offer individuals a rewarding and successful career.

This salary guide, produced with Hays, identifies the definitive trends driving the profession and the motivations of those working in it. It identifies skills gaps, highlights where opportunities exist and offers a roadmap to a more inclusive and diverse procurement and supply profession.

I hope you find the insights and information it contains useful in shaping your own future, and that of your teams and colleagues.

 **We hold many of the keys that will help organisations unlock a more sustainable and ethical world.**



The people of tomorrow

Talented procurement professionals are playing a bigger and more vital role than ever in countering the volatility we're all experiencing, says **Scott Dance, UK&I Procurement Engagement Director, Hays**

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

In the wake of another tumultuous year beset by political, economic and social challenges, including a cost-of-living crisis, ongoing conflict in Ukraine and an escalating climate emergency, the strategic value of procurement and supply chain continues to be self-evident. The volatility has put the focus squarely on what the sector does best – mitigating risk, managing costs and keeping businesses compliant.

A consequence of soaring inflation rates is that wages have been driven up across the board, with procurement being no exception. Salary increases in the sector have outstripped the national average once again, and almost three quarters received a pay rise last year.

Remuneration is by no means the only factor driving employee movement, however. Organisations prepared to take a creative and tailored approach to talent attraction will be best placed to secure the skills they need, with flexible working practices, a strong organizational purpose, defined sustainability commitments and an open and transparent culture just some of the key aspects of a role candidates expect

to see communicated to them at the initial point of contact.

Furthermore, the increasing complexity of procurement and supply chain as a function has seen the skills needed to power it continue to evolve. The accelerating adoption of digital supply chains is placing emphasis on the meaningful interpretation of data, and whilst technical ability may form the bedrock of any rounded skillset, there is no substitute for the soft skills that make up the human element.

 **Procurement and supply chain as a function has seen the skills needed to power it continue to evolve.**

Overall, the procurement function is playing a vital part in the ongoing mission to make operations more

resilient to disruption. Close collaboration with key suppliers combined with a cross-functional leadership role played across departments in recent years has transformed procurement professionals into true strategic partners.

These are just a few of the trends we can expect to shape the direction of the procurement function in 2023. We hope you find the insights covered in this salary guide useful as you both design your talent management strategies and navigate your own future career path.

About this report

The CIPS Salary Guide 2023, 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 2023 edition is underpinned by research that took place between mid January and late February 2023. Over 5,000 professionals globally completed the detailed and comprehensive questionnaire covering careers, salaries, bonuses and aspirations as well as the 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 2022 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.

† We've added a dagger symbol where a particular sample or subcategory has a low base of respondents and interpretation needs to be cautious. Figures in the report are rounded, which may result in apparent discrepancies.

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 ED&I: Unlocking potential in the workplace

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

The key takeaways

Global economic uncertainty, huge variations in energy prices and inflationary pressures, and yet more unforeseen effects of climate change means we continue to live in challenging times. For procurement and supply professionals, each new challenge presents a fresh opportunity to step forward and make a difference, maximising efficiency while delivering quality. Here are some of the main highlights of this year's survey...

63% of professionals say the perception of procurement has improved in the past 12 months

The better the perception of our profession, the easier it is to get buy-in both from internal stakeholders and external suppliers. With 69% stating their directors and heads of other departments value procurement, this starts to produce a virtuous circle: it becomes easier to create efficient and resilient supply chains that in turn help improve those perceptions further.

48% say managing risk in the supply chain is the biggest challenge for organisations over the coming year

Following this in the top three are two new challenges: market volatility and budget restraints. It makes sense that in order to tackle these, the biggest priority identified for the year ahead is building supply chain resilience. There's a skills shortage in procurement right now. Professionals with the right training and experience are in a stronger position than ever when it comes to finding the role that suits them best.

7.3% annual average pay rise

Salaries have risen again this year – more than last year and by more than the average national pay rise (6.5%^{*}). That's positive confirmation of the value organisations place on procurement. The average procurement salary is now £53,359. For MCIPS professionals the average is £64,524, compared with £43,526 for non-MCIPS – that's a very sizable difference of £20,998 meaning on average they earn 48% more.

57% of respondents are eligible for a bonus

With increased pressure on budgets, bonuses are a cost-efficient way for organisations to reward employees. The proportion of MCIPS professionals eligible is once again higher this year, at 60%, and their bonuses are worth 10.2% of their salary, compared to 7.2% for non-MCIPS.

72% of employers have struggled to find the right talent

There continues to be a skills shortage within the procurement profession. This year's survey identifies retaining staff as now the biggest challenge for the coming year, and the proportion of employers struggling to find the right talent is significantly up, from 63% last year. To combat that, organisations will need to widen the net when recruiting and offer training to develop the professionals they have already.

ED&I Embedding equality, diversity and inclusion at the heart of an organisation increases job satisfaction as well as improves creativity, innovation and decision-making.

The boost that brings to performance positively impacts the bottom line. It's good to see that three-quarters (76%) of procurement professionals agree their organisation is taking proactive steps in the right direction; putting measurable targets in place will be key to continuing the progress.

*Average growth in regular pay (excluding bonuses) was 6.5% among employees in November 2022 to January 2023. Source: Office for National Statistics

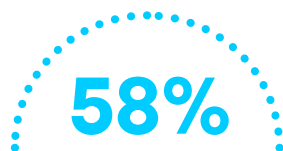
Perceptions, challenges, skills and opportunities

How those working in all sectors and at all levels have viewed the procurement profession over the past 12 months – information and insights to help guide actions and turn challenges into opportunities.

In the face of the economic uncertainty and market volatility we've experienced in the past year, it's great to see procurement continuing to rise to the challenge. The profession has been front and centre again, helping organisations navigate each new pressure and challenge.

This year the cost-of-living crisis has taken centre stage, pressing supply chains to work with reduced budgets and find innovative solutions to deliver cost savings. Spiralling energy prices and the continuing war in Ukraine have made any attempt at a 'new normal' fragile at best, with prices heading in only one direction.

As the economy continues to run close to technical recession, never has there been so much pressure to source and supply goods and services in a cost-efficient way, while maintaining ethical and sustainable sourcing standards.



58% of employers request MCIPS (or studying towards) when recruiting

While this situation is far from ideal, it does continue to give procurement professionals the opportunity to remain in the spotlight.

It's great to see that those at the most senior level, Advanced Professional, agree that the perception of procurement has improved over the past 12 months (74% compared to an average of 63% across the profession). That's evidence that procurement professionals are being seen, heard and valued in the boardroom, and beyond.

The workforce as a whole has shrunk* nationally, and in procurement there continues to be

a shortage of professionals with the right skills, especially in the public sector. In this climate, being able to demonstrate expertise means that those with MCIPS are more in demand and well-remunerated than ever before. In fact, our survey reveals that across all sectors 58% of employers request prospective candidates to be MCIPS or be working towards it – and that figure is even higher in the public sector, at 66%.

Reflecting the uncertain times we're living in, our top three priorities this year are building supply chain resilience (29%), improving stakeholder management (25%) and improving supply chain visibility (13%). By creating resilient, ethical and sustainable supply chains, procurement professionals are playing an ever more critical role in their organisations and helping to drive them forward.



The value of procurement and supply professionals continues to strengthen. After years of disruption they are now firmly established as gatekeepers for organisational resilience, continuity and ESG strategies. Managing risk, volatility and supply chain visibility continue to be primary goals, but with global cost pressures weighing heavily on organisations, balancing budget restraints while delivering long-term value is paramount. Against this backdrop, perceptions of the profession continue to improve and the most highly qualified individuals are increasingly in demand.

Nick Welby, CEO, CIPS

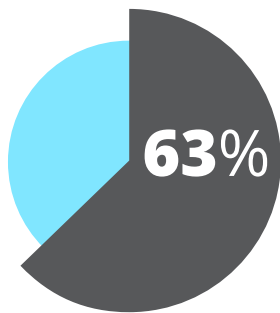


READ: Reasons for UK worker shortages

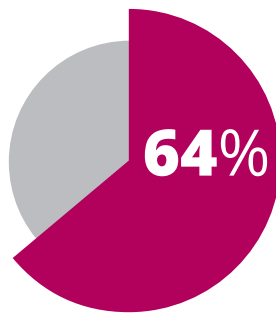
**The FT on the effect of Brexit, and the ONS on the UK's growing rate of long-term sickness*

How organisations view procurement

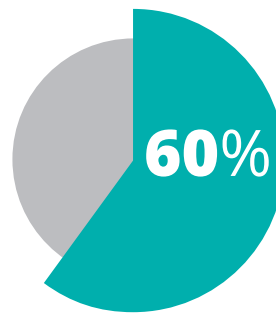
The perception of procurement has improved over the past year



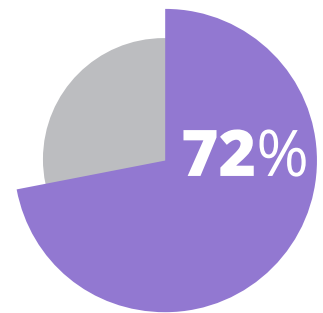
Across all sectors



Private sector




Public sector



Charity/not-for-profit sector

In spite of all the challenges we've faced over the past 12 months (or perhaps even because of them), procurement professionals believe that perceptions of their profession have improved. The status of procurement continues to increase year-on-year. This year's slight uplift is driven by people working in the

 **The importance of functioning supply chains is now well understood, and the value of once-unheralded procurement professionals firmly recognised in how they are perceived and appreciated in both their organisations and society at large.**

Nick Welby, CEO, CIPS

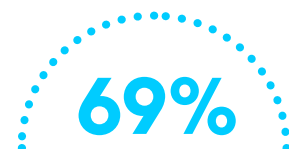
public sector (at 60%, up from 58% last year) and charity/not-for-profit sector (at 72%, up from 67%).

All the hard work procurement professionals put in appears to have paid off, with 61% agreeing that procurement is valued within their organisation. Nowhere is that value more likely to be seen than at the most senior level. Among Advanced Professionals, who are most likely to be collaborating with other senior stakeholders, the figure is 71%.

Procurement's strategic role

What's more, it's heartening to see that it's not only those in procurement roles who see the profession's value – 69% say directors and heads of

other departments understand what procurement professionals can offer, an increase from last year. This kind of buy-in helps procurement to play a bigger and more strategic role in organisations, making operations more efficient, cost effective and sustainable – potentially contributing to its engagement from the start in more than half (53%) of new projects.



say directors and heads of other departments in their organisation understand what procurement professionals can offer (vs 67% in 2022)



WATCH: *How procurement can deliver real change and transform our planet for the future*

How organisations view procurement continued

The perception of procurement from inside the organisation

69% Directors and heads of other departments in my organisation understand what procurement professionals can offer

Procurement needs buy-in across many organisational areas if operations are going to run as smoothly as possible. So it's positive to see that trend continue, with a higher proportion of respondents this year feeling that what they do is understood by those in senior roles outside of their own profession, up from 67% in 2022.

63% Perception of procurement has improved in the last 12 months

For the procurement profession to thrive, a positive perception is a key factor. Consistent with the picture last year, things are continuing to move in the right direction, with more than three in five agreeing that the way the profession is perceived has improved over the past year.

61% Procurement is very much valued within my organisation

Feeling valued in the workplace is a huge factor when it comes to maintaining a happy and well-motivated workforce, and a healthy majority agree that the job they do is seen to be a worthwhile one. With extra pressure on budget restraints, the next challenge will be

to demonstrate the value procurement can add beyond simply keeping costs down.

54% Staff in other departments in my organisation understand what procurement professionals can offer

The better the understanding by other functions of what procurement can do and the value it can bring, the easier it becomes to make that happen. So it's positive to see that this percentage has been climbing steadily over a number of years. As procurement professionals continue to improve communication, storytelling and stakeholder engagement, it will no doubt climb higher still in the future.

53% Procurement is engaged from the start of a project

Once again, more than half of respondents say that procurement is included in the process when a project first gets off the ground. Given how much more smoothly that can make projects run, it makes sense for procurement professionals to highlight successes and improve their profile across key stakeholders within their organisations, so they are engaged earlier. The private sector appears to be leading the way in unlocking that value, with this figure considerably higher there, at 62%.

Key challenges by sector

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

Managing risk in supply chain

48%

Managing risk in the supply chain continues to be the main challenge for professionals in the year ahead. This is closely followed by two new challenges in the top three – market volatility and budget restraints.

The blend of these challenges creates enormous extra pressure for procurement professionals and organisations to navigate off the back of a pandemic, Brexit and the ongoing war in Ukraine. What's more, it's the organisations with the right skilled professionals that will survive and thrive.

Adding to these pressures are the huge fluctuations we've seen in energy prices, high inflation and the cost-of-living crisis, as well as the more unforeseen effects of climate change. Procurement professionals, perhaps more than most, have to be ready to deal with

Market volatility

45%

whatever the next 'black swan' event is to come over the horizon.

Market volatility and managing risk are felt especially acutely in the private sector, with 49% and 53% respectively citing these as their top challenges. It's no surprise, therefore, that building supply chain resilience is the top priority there (34%). In the public sector, the biggest challenge is the budget restraints (54%) that are making organisations work even harder and smarter when it comes to retaining staff, which is also cited as a major obstacle by 53% of respondents.

In the private sector managing risk in the supply chain is seen as the biggest challenge, though of course it is still a challenge everywhere. Procurement professionals, noting the 'new normal' of volatility, have apparently learnt to expect the unexpected, and are hard at work taking actions to mitigate it.

Budget restraints

43%

Budget restraints are a particular issue in the charity/not-for-profit sector as well as the public sector, where keeping hold of staff is also a growing challenge. For public sector organisations the additional challenge of outdated government frameworks makes sourcing the right people extra difficult in a tight recruitment market.

 **The emergence of market volatility as a key challenge for procurement is no surprise. Macroeconomic fluctuations show little sign of stabilising, and look set to continue well into 2023 and beyond. A strategic approach to category management will be essential if organisations are to successfully combat the rising prices and supply constraints in many areas.**

Scott Dance, UK&I Procurement Engagement Director, Hays



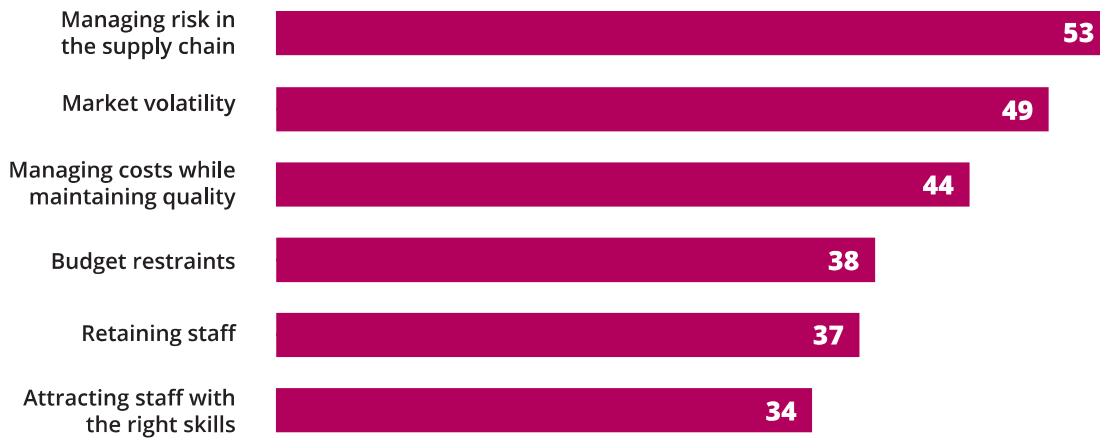
WATCH: How have the challenges procurement professionals face changed over the last 12 months?

Key challenges by sector continued

Top six challenges by sector

Private sector

%



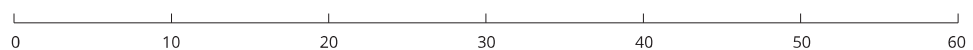
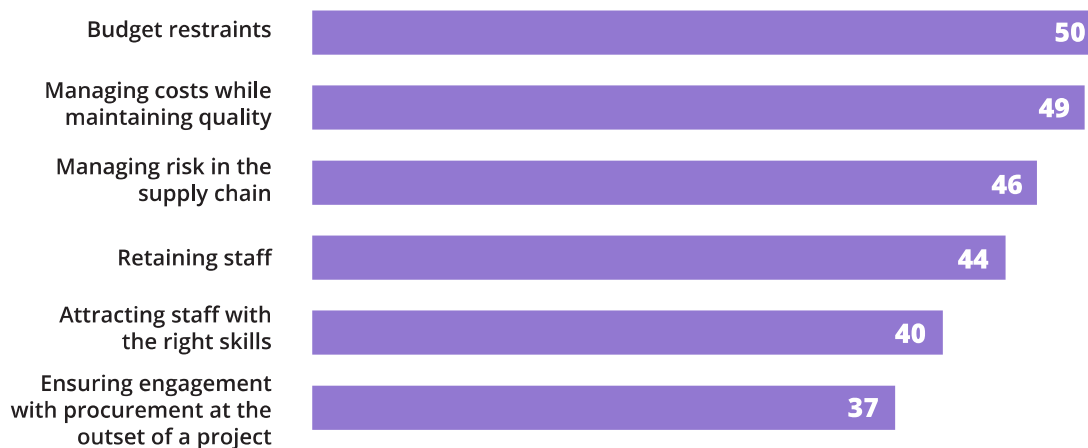
Public sector

%



Charity/not-for-profit sector

%



Priorities for the year ahead

The top priorities for procurement in the next 12 months



With market volatility seemingly a fact of life these days, managing risk and building resilient supply chains is more critical than ever. Indeed, building this resilience ranks as the top priority for the coming year for procurement professionals.

In order to achieve that resilience, stakeholders need to be engaged, meaning the efficiency with which procurement professionals manage those relationships is critical too. Creating good supply chain visibility gives anyone who needs it the ability to

understand, make informed decisions and communicate exactly what is happening where, at any given time.

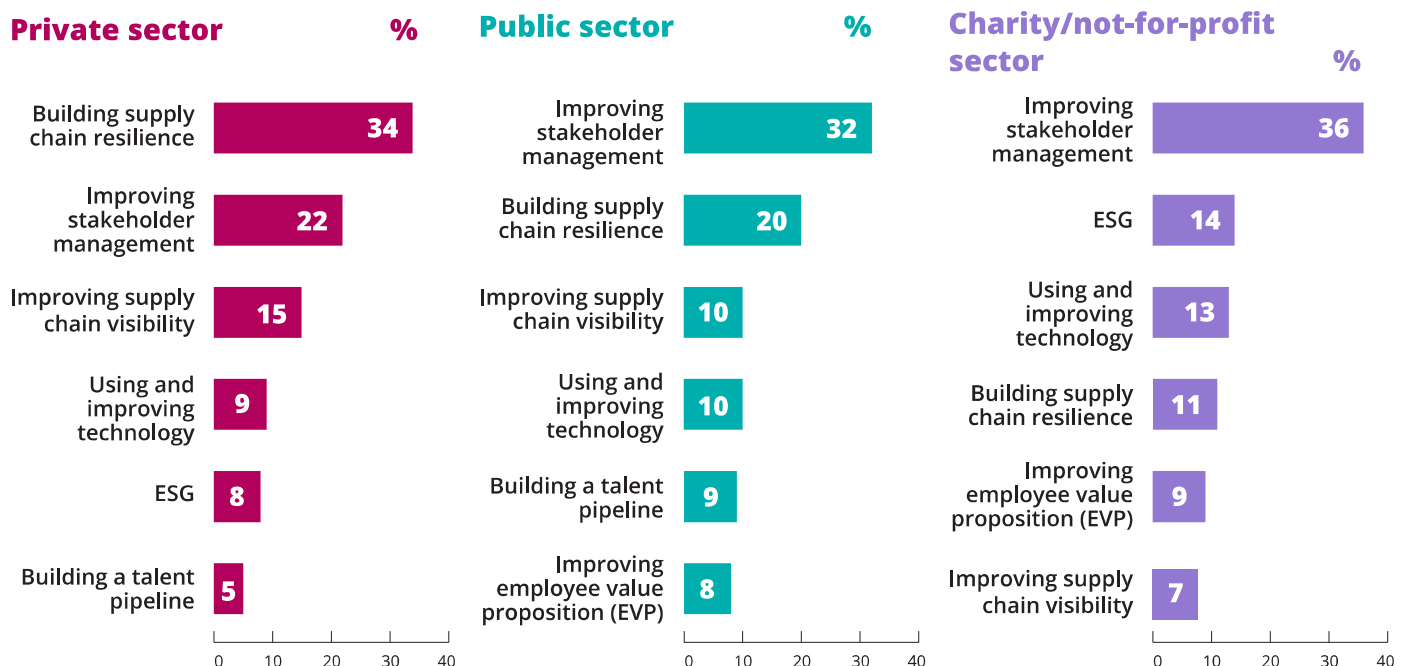
While the top priority in the private sector is building resilience (34%), both the public sector (32%) and charity/not-for-profit sector (36%) recognise that improving stakeholder management is their most important mission for the coming year.

The next biggest priority in the charity and not-for-profit sector is environmental, social and governance,

which was cited by 14% of professionals. While this might have been expected to be a higher priority across the board, it's possible that organisations are currently still evaluating what their overall ESG looks like, and what course of action they should take. It will be interesting to see how the actions of this year influence the figure in next year's survey.

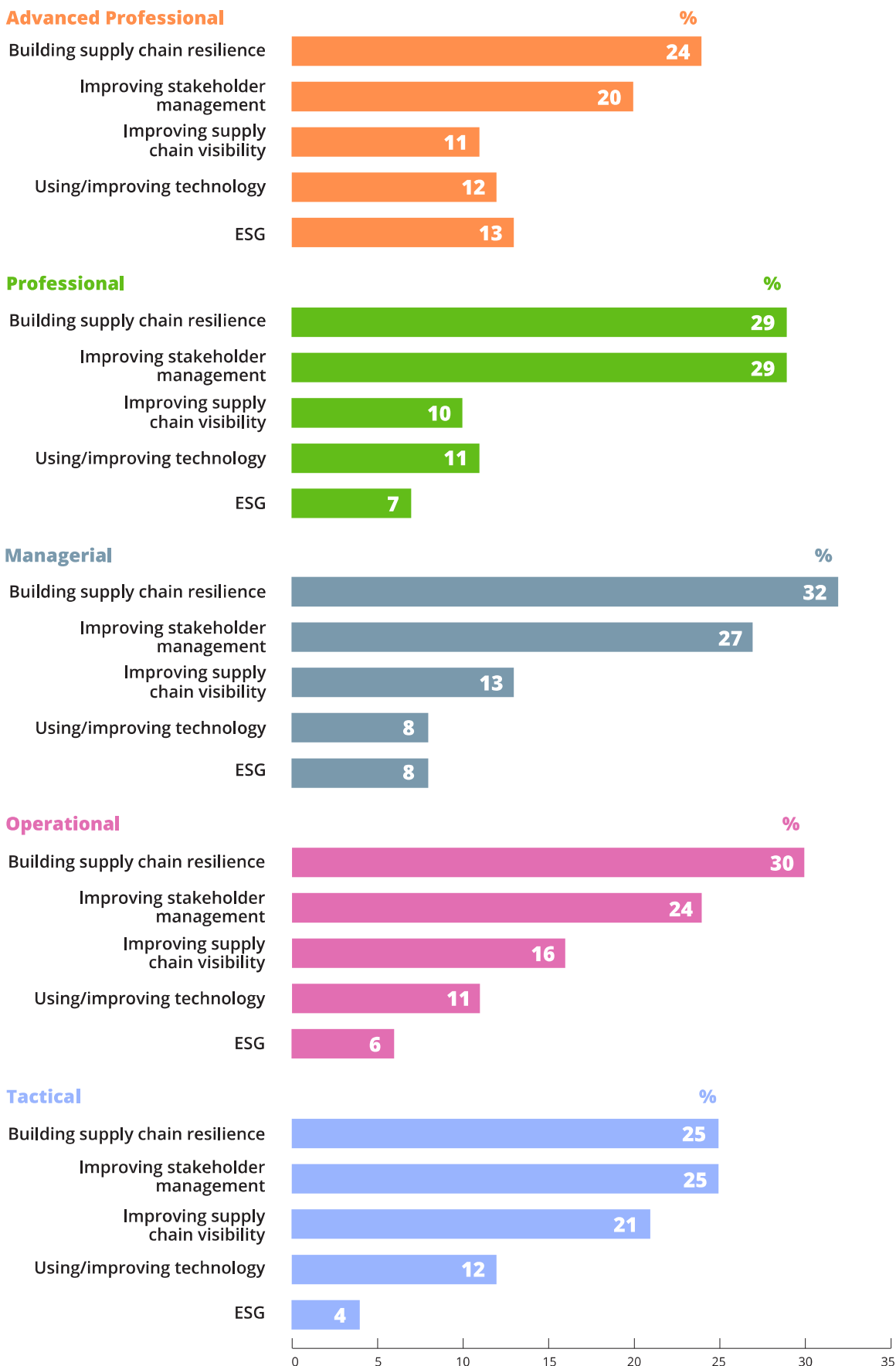
Building supply chain resilience is the top priority at all job levels but nowhere more so than at Managerial level, where it is three percentage points above the average, at 32%.

Top six priorities for procurement by sector



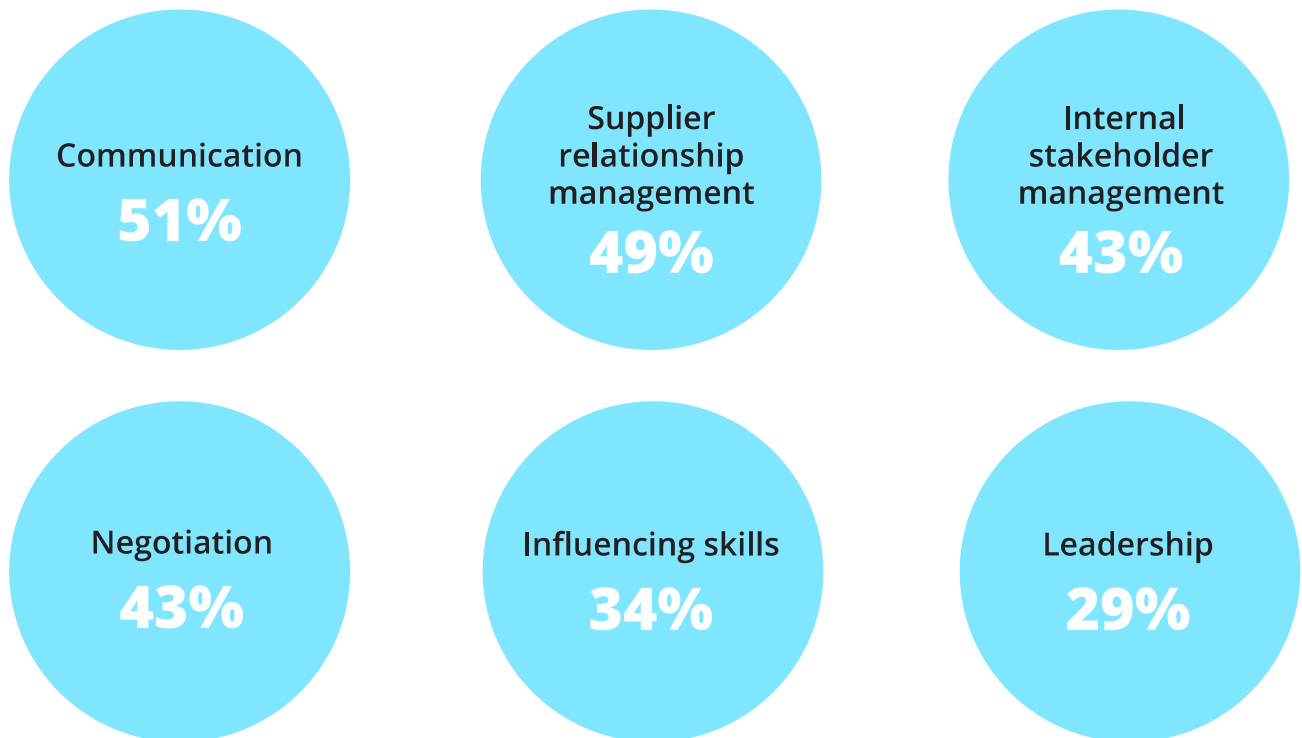
Priorities for the year ahead continued

Top five priorities for procurement by job level



Key skills by sector

The top six skills in procurement for 2023



Even as the technology at our disposal continues to improve at speed, it's clear that it's actually soft skills that are increasingly important.

As systems evolve with more intuitive and easy-to-use interfaces, it's how we understand results and use them that counts, along with how we communicate and interact with other people.

It hardly needs stating that procurement professionals need sound technical skills – across all sectors and job roles. Without them it's impossible to build credibility or business confidence. However, increasingly in demand is the need for wider soft skills that sit on top of technical training, development and qualifications. In fact, it's a successful blend of soft skills and technical skills that is driving the value of procurement in the eyes of leaders.

The skills heading the list in our survey this year very much reflect the value of these critical soft skills.

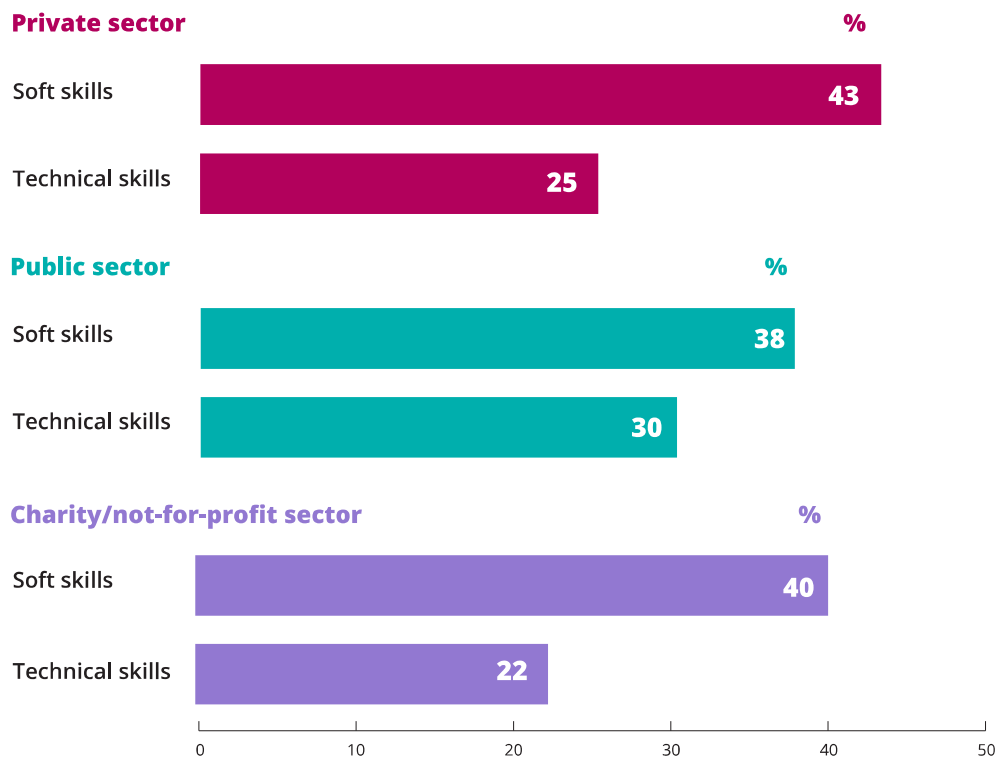
The ways we communicate, how we manage relationships with our suppliers and engage with our stakeholders are vital – along with the way we negotiate and influence others with our leadership abilities.


It's these soft skills that are the priority, above the technical abilities which can be taught – such as sourcing, contract management, supplier evaluation and appraisal, and tendering.

In the private sector, managing relationships with suppliers is of significant importance for 55% of respondents, ranking even higher on the list than communication and replacing last year's most commonly cited skill, negotiation. However, the management of internal rather than external stakeholders seems to be of greater importance in the public sector (47%) and in the charity/not-for-profit sector (56%), reflecting the more inward-facing operational focus of those organisations.

Key skills by sector continued

The importance of soft and technical skills by sector



 Over the past five years the CIPS corporate award programme has formed a central pillar of the Ministry of Defence commercial training and education programme. Staff have progressed from Corporate Award Practitioner (CAP) through to Corporate Award Advanced Practitioner (CAAP). This programme has benefited staff from new entrants through to senior experienced practitioners. Corporate Award has been attractive to staff as it is work-based, modular, offers applied learning and provides a route to full MCIPS and Chartered status. Because assignments are work-based, staff have been able to apply their learning, implement their recommendations and immediately deliver benefits for the business.

Robert Anstee, Commercial Capability and SWP – Senior Training and Education Manager, Defence Commercial, Ministry of Defence

 The increased recognition of supplier relationship management is indicative of the mounting pressure on the private sector to reduce costs, power and monitor performance, source responsibly and foster innovation. Collaboration and relationship building with the most strategic supply partners is increasingly critical to driving value for organisations.

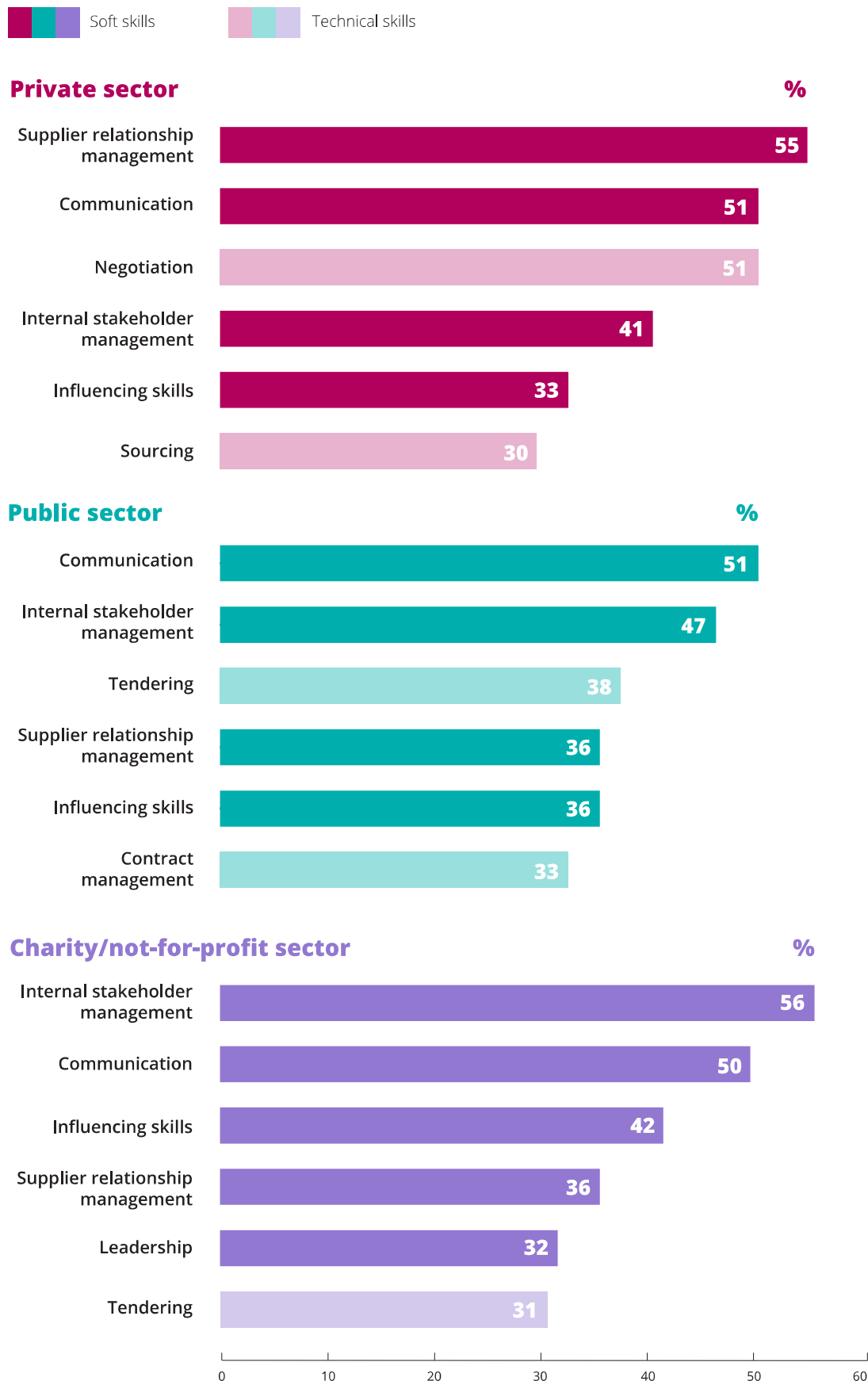
Scott Dance, UK&I Procurement Engagement Director, Hays



WATCH: How and why are the skills needs across the different sectors changing?

Key skills by sector continued

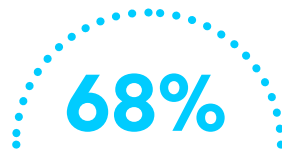
Key skills considered important by sector



Key skills by job level

It's becoming apparent that the best way to improve your chances of reaching the most senior roles is to focus on keeping up to date with core technical skills while fine-tuning those increasingly important soft skills. Communication is important across all job levels, but the more senior the position, the more critical soft skills – such as engaging and leading at this level – become.

The most senior positions at Advanced Professional level include those in charge of procurement within organisations and those closest to the boardroom, at director level. In these challenging times organisations



said leadership is the most important skill at Advanced Professional level

will need to lean on their excellent leadership skills more than ever.

Those at Professional level are chiefly responsible for managing the end-to-end procurement process to ensure their organisation is getting the best value for money and minimising risks. Since they work closely with suppliers, internal stakeholders

and other departments to achieve their objectives, soft skills are vital. The survey backs that up this year, highlighting managing relationships with suppliers and internal stakeholders as key skills at this level.

Managerial roles require finely honed negotiation and supplier relationship management skills to enhance the value they generate for the organisation. Meanwhile, communication is very much key for those at Operational (59%) and Tactical (69%) levels, where supplier relationship management and sourcing are also seen as important skills to have.

Technical excellence remains vital for the credibility of both the procurement function and its leaders, but building relationships with external stakeholders, challenging and influencing your business partners and translating 'technical' jargon into language everyone can understand are critical soft skills procurement professionals need. To be effective you need both the soft skills and the technical ones.

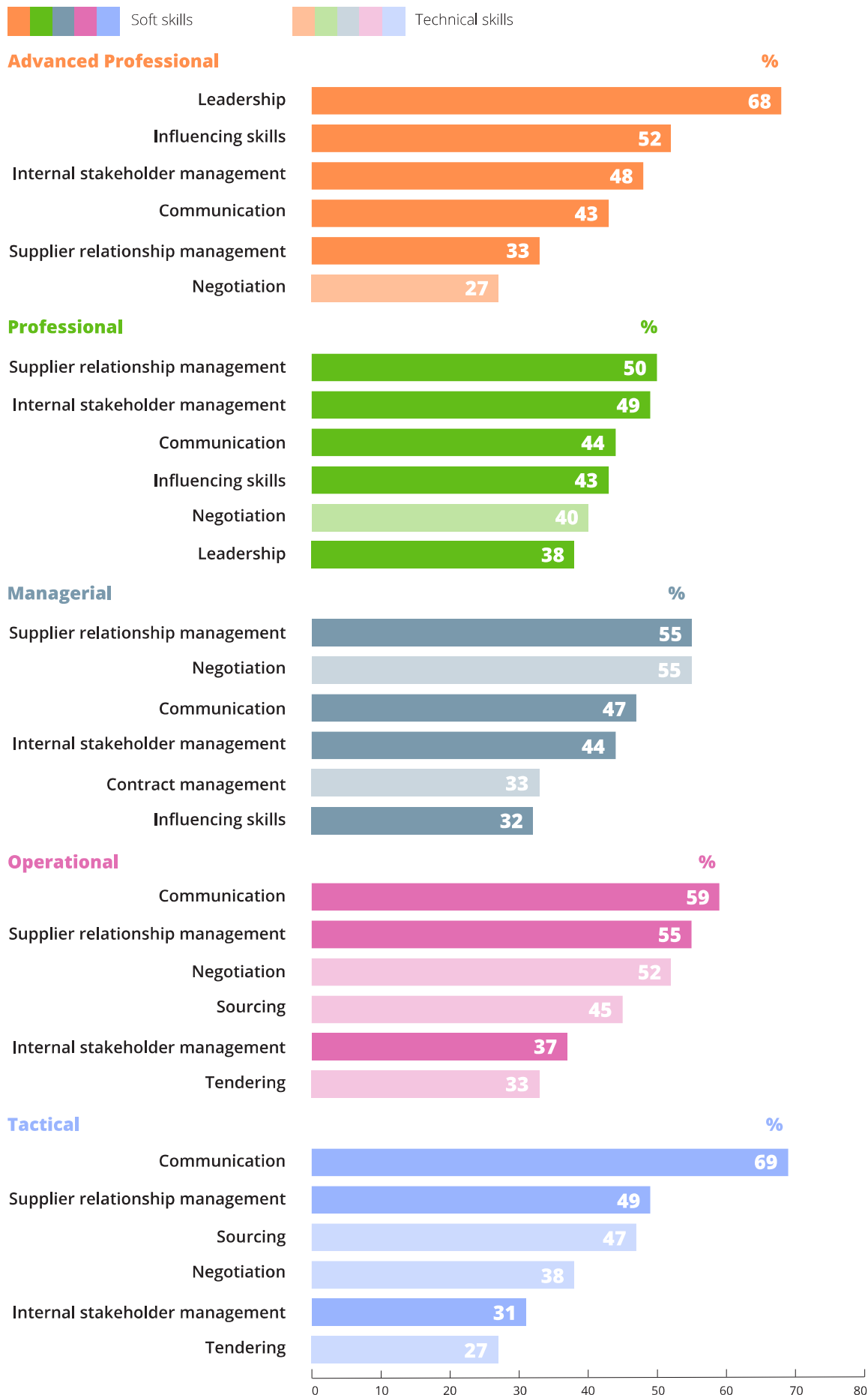
Scott Dance, UK&I Procurement Engagement Director, Hays



WATCH: *How are skills evolving across all levels of seniority?*

Key skills by job level continued

Top six most important skills by job level



CASE STUDY



Speaking the common language of impact and outcomes

Sustainability and social impact are now at the heart of everything the Government does, thanks to the way it manages its procurement, explains **Nikki Archer, Head of Profession for Scottish Government**

“Procurement has the power to change lives and make a difference to entire communities, regions or even nations,” says Nikki Archer. “Within the Scottish Government, procurement is regarded as a partner in the delivery of their programme for government and economic strategy,” she explains. “We’ve done a lot of work to raise the profile of procurement since 2006, when we initiated reform.”

One key element was to ensure that there were common practices, procedures and visibility across the whole of the public sector in Scotland – a task of some magnitude!

“We’ve done a lot of work on enabling capability, consistency of practice, common tools, templates, e-commerce systems – a common language,” she says. The key question the procurement team challenged themselves with was: how can we maximise our impact for Scotland?

Scotland’s **National Performance Framework** sets out the ambitions for the country, outlining a common purpose, values and outcomes. Demonstrating procurement’s role as an enabler of this, they arrived at their answer: “Whatever we deliver through procurement needs to be good for businesses and employees, good for society, good for places and communities, and open and connected – that’s our mantra.”

This was cemented with the Procurement Reform (Scotland) Act 2014, putting sustainability and the National Performance Framework at the heart of procurement. “The visibility of what we do – talking in the language of impact and outcomes, not procurement – has really helped,” says Nikki.

That legislation created a firm base from which they have been able to build. “Since then, working closely with public, private and third sector partners, we’ve continued to focus on progressive procurement, professionalising procurement, commercial competence, enabling innovation and reviewing the impact of our approaches,” she says. “Are we using the full flexibility of the rules to maximise social, economic and environmental benefit from our £14.5 billion spend across Scotland – can we do more?”

Building for the future

Nikki is passionate, too, about succession planning – committed to creating the procurement people of tomorrow.

 We’re creating pipelines of demand and supply for young people to enter our profession, working with employers to create opportunities: bringing in modern apprentices, graduates, student internships, post-grad internships and school placements. Also, engaging with schools, colleges and universities to incite interest...

By helping youth employment, we can leave a legacy for our profession. Working with partners, we created an SVQ modern apprenticeship in procurement, with Level 2 CIPS embedded.

We also supported development of an HND programme on procurement and supply chain, so that young learners have the option of vocational apprenticeships in work, or taking academic HND or Degree routes. These options help with social mobility for those without enough grades to get onto a degree course.

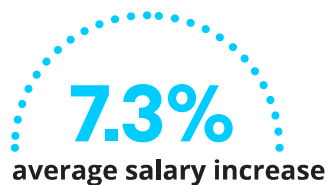
Salaries, bonuses and benefits

Great procurement is at the heart of any successful business. This year's survey shows that even in these challenging economic times there are excellent rewards on offer for those with the right skills and mindsets.

The average salary for procurement professionals continues to be higher than the national average this year. The increase is considerably greater (at 7.3%) than the 4.9% we reported last – a good indicator that this is a great profession to work in. But the appeal goes far beyond simply salary, of course.

As well as getting the satisfaction of being recognised as a key contributor to the success of their organisations, procurement professionals have a favourable chance of being eligible for a bonus scheme, and other important factors such as work-life balance, sustainability and ethics are being paid proper attention. These are increasingly significant drivers, particularly for young professionals when making their career choices.

Increasingly, and with employers under extra pressure to keep their costs down, it's the whole package



that's important, not just salary. Astute employers will pay close attention to which benefits people value the most, so that the most competitive (and cost-effective) solutions can be found.

Retaining the best people


There is a talent shortage right now, and organisations are having to work even harder to attract and keep the best candidates. Where those skills shortages are most acute, we have seen bigger salary rises than elsewhere. For example, this year a Supplier Relationship Manager's average salary has gone up from £50,379 to £59,740, a 19% jump.

Attracting and keeping the best people is an especially big challenge

for organisations in the public sector, where the restrictions on pay rises are having an even more pronounced effect in light of the cost-of-living crisis. Impressively, against that backdrop, salaries increased for 70% of public-sector procurement professionals, compared with 45% in 2022.

A skills shortage and the lowest levels of unemployment in decades means that procurement professionals – especially at the more senior job levels – are increasingly highly sought after. They are more able to hold out for the package they want, and to choose organisations that are the best match for their own personal values.

Money may be tighter in the current cost-of-living crisis, with high inflation affecting us all in our work and our personal lives, but those with the right skills, training and experience can still expect the best salaries, bonuses and benefits.

 **Simply put, there's a supply and demand problem when it comes to talent. Employment levels are currently at their lowest since the 1970s, and recent economic volatility is creating nervousness in the market around moving or changing roles. This is creating a bidding war for talent, and the best candidates can expect multiple offers on the table at any one time. This is inevitably driving salaries up, and we expect them to continue to grow over the coming three to six months – or as long as the uncertainty lasts.**

Scott Dance, UK&I Procurement Engagement Director, Hays



WATCH: *How are talent shortages pushing up salaries and are these set to continue?*

Salaries in 2023: the headlines

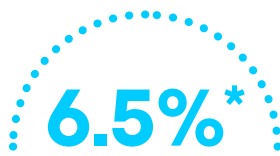


£53,359

overall average salary for procurement professionals in 2023

Not only have average salaries for procurement professionals continued to rise this year, they have once again done so ahead of the national average.

The average salary for a procurement professional is now £53,359, compared with £49,743 in 2022 – which works out as an increase of 7.3%. The national average pay increase according to the Office of National Statistics meanwhile is lower, at 6.5%*. That means that salaries as a whole for procurement professionals are pulling even further ahead – positive confirmation



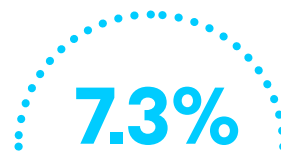
6.5%*

National average pay increase

that it's a valuable and desirable profession to work in.

Procurement highly valued

Meanwhile, nearly three-quarters of respondents (73%) reported receiving a salary increase in the last 12 months. That's a big jump from last year's figure (59%), and the previous year (54%) – and reflects the value organisations place on procurement professionals and their desire to stay competitive within a context of high inflation. Less than one in five (18%) say their salary has stayed the same.



7.3%

Average procurement professional salary increase (4.9% last year)

Once again this year the biggest salaries reported were in the private sector, and London was the UK region with the highest average salaries across all three sectors. There does look to be generally positive evidence that the gender and ethnicity gaps are shrinking in many areas, though caution is needed in interpreting that data, as there are many factors which impact these averages across sectors and roles within levels. However, it's a positive trend we will continue to monitor.



Salaries have grown exponentially in procurement over the past year, and we've also seen the gap continue between the overall national average pay increase and the average pay increase in procurement. While we can't predict whether this growth will be sustainable, we don't expect it to slow massively in the coming year. The simple reason for this is that demand for talent is exceptionally high. Many candidates looking to move can choose from up to three or four offers, with counter-offers sometimes going up to 30% higher than the original salary.

Scott Dance, UK&I Procurement Engagement Director, Hays

*Average growth in regular pay (excluding bonuses) was 6.5% among employees in November 2022 to January 2023. **Source:** Office for National Statistics

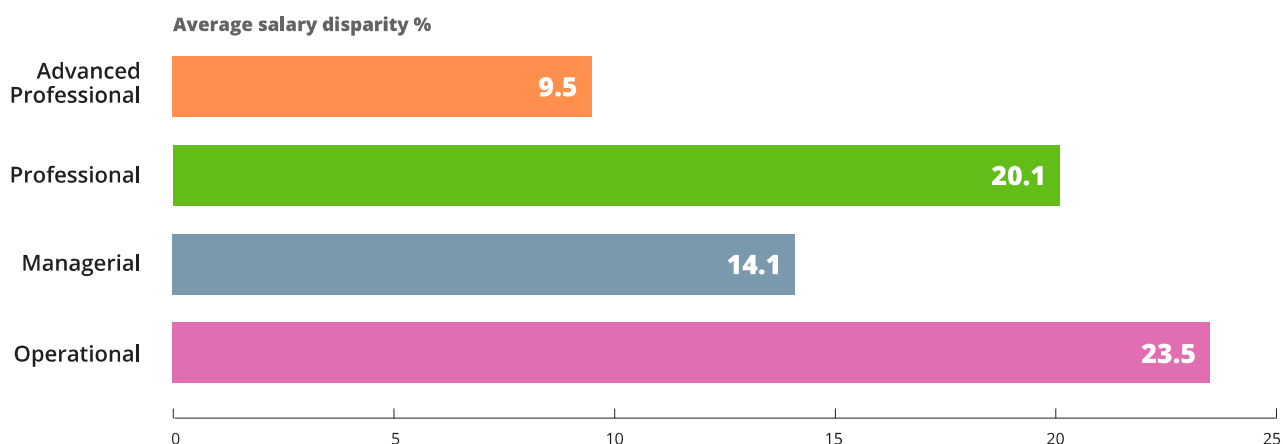
The impact of MCIPS

£63,365
average salary of
MCIPS members at
Professional level

20.1%
disparity

£52,767
average salary of
non-MCIPS members
at Professional level

The higher earning power of MCIPS members by level



There's fierce competition right now for talented and self-motivated professionals. This means that those with MCIPS at Operational level and above are especially sought after – and command higher salaries.

Over the past 12 months, 72% of employers have struggled to find the right talent, and that's up from 63% last year. Those with the right technical and soft skills and experience are in a very strong position.

MCIPS is a professional designation which represents the global and professional standard within the procurement and supply profession.

MCIPS professionals have evidenced their high level of competency and skills, dedication to their career with lifelong learning, and commitment to ethical standards of practice and operating with integrity; all of which makes them more in demand.

This increased employability is also reflected in what they can command in

terms of salary and bonus. Employers will pay more and offer more generous packages to those with MCIPS or those working towards it.

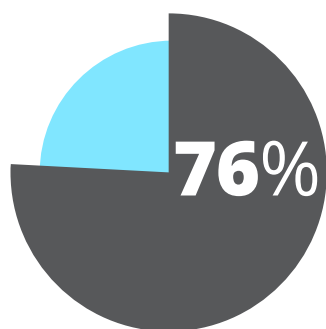
Over a number of years, our surveys have consistently shown that employers value MCIPS at all levels of the profession. This year at Professional level we see a salary disparity of 20.1% – those with MCIPS at this level command an average salary of £63,365, while for those without MCIPS the average is lower, at £52,767.

The impact of MCIPS continued

Besides simply earning a bigger salary, those who choose to work towards MCIPS give themselves a distinct advantage over those who don't when it comes to advancing their career. The majority of employers (58%) would prefer candidates with MCIPS (or studying towards it) when recruiting.

Not only does MCIPS give employers confidence that those candidates have the technical knowledge they will need to get the job done, but also that they have the kind of dedication, commitment and drive that can help move their organisation forward. In the public sector (66%) and the charity/not-for-profit sector (69%) the figure is even higher.

Meanwhile, seniority is a good predictor of pay rises. Compared



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

to the average procurement professional, a greater proportion of those at Professional and Managerial level reported receiving a pay increase (75% and 78% respectively, compared to the 73% average).

At Tactical level, a higher percentage said they have remained the same (25% compared to an 18% average).

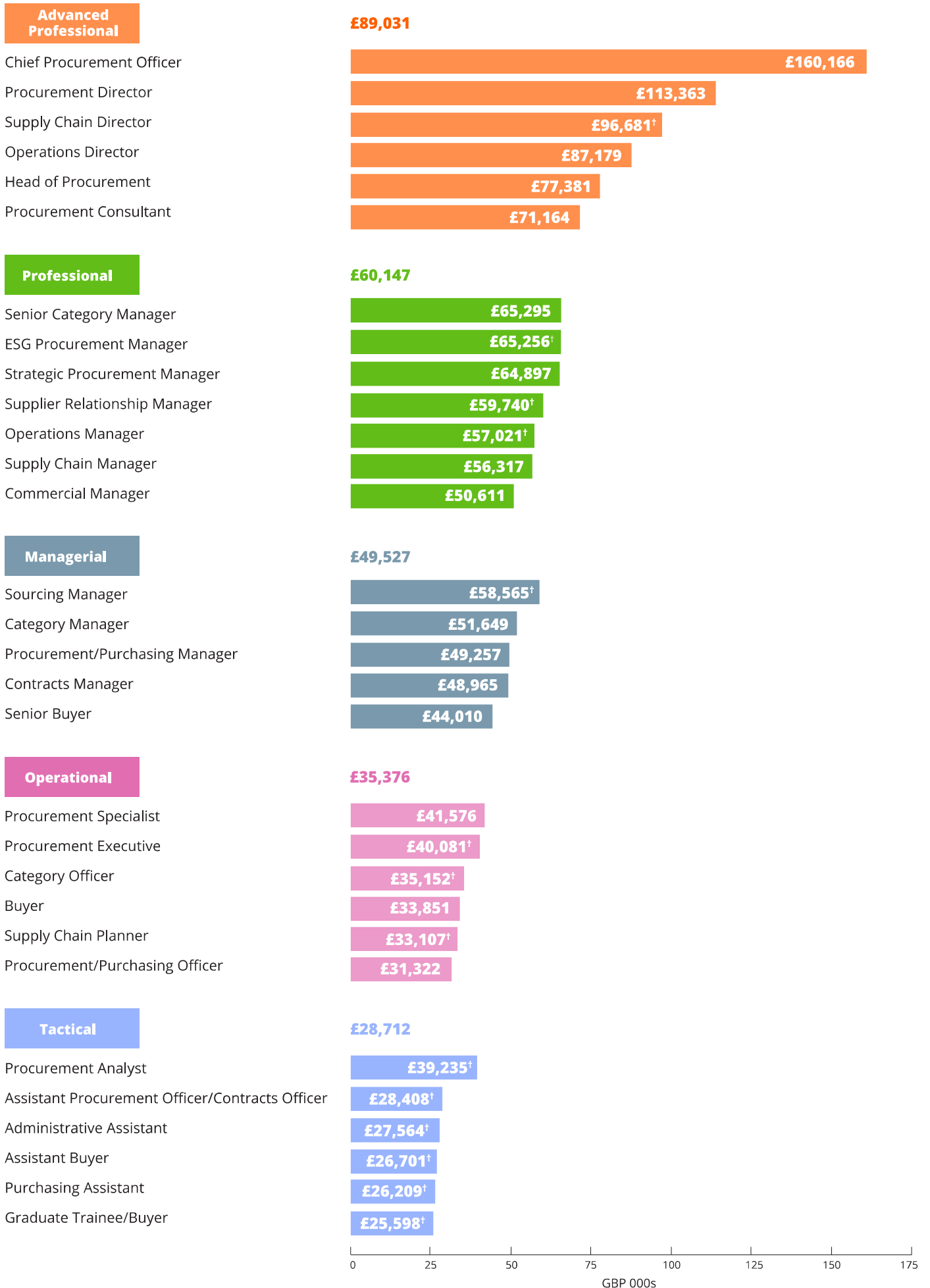
The current average annual salary for those with MCIPS is £64,524, whereas for non-MCIPS it's £43,526 – that's a very sizable gap of £20,998, meaning on average they earn 48% more. That's a significant difference that fully endorses the journey to MCIPS.

What's more, senior candidates at the next level – FCIPS – are also more sought after. The majority (53%) of those employers recruiting and looking to add to their organisation's headcount said they would give more consideration to candidates with FCIPS. The figure was slightly higher in the public sector than elsewhere, at 55%.

 **I definitely value the brand and credibility that comes with MCIPS status, especially when my team are speaking to senior stakeholders and CEOs from third party supplier companies – and what they are expecting on the other side of the table is a high-calibre professional, well-rounded and capable of dealing with complex business issues.**

Savita Mace, CPO, University Hospital Sussex NHS Trust

UK average salary by job title



Salaries by region



London is once again the place where salaries for procurement professionals are the highest, 9% up on last year's figure at £71,128, following an 11% rise the previous year. However, the percentage of procurement professionals reporting a salary increase in the capital was one of the lowest of all 12 regions, at 67% vs 73% overall.

The biggest increases from year to year were seen in the East of England (14%), Scotland and the North East (both 13%).

People working in the North East were also the most likely to report a salary increase, with more than four in every five doing so (81%). Of those who told us they'd had a pay rise, the percentage increases were on average biggest in Northern Ireland, at 9.8%, though reported salaries there were the lowest.

UK average salary by region

Region	2023	2022
London	£71,128	£65,282
Scotland	£55,111	£48,688
South East	£53,493	£52,698
East of England	£52,765	£46,370
West Midlands	£51,276	£48,116
East Midlands	£48,642	£44,012
North East	£48,326	£42,940
South West	£46,728	£43,736
Wales	£46,683	£44,135
North West	£46,655	£46,582
Yorkshire and Humber	£45,942	£41,672
Northern Ireland	£39,138	£43,841

% of respondents receiving a salary increase by region

Region	% receiving a salary increase	Average increase %
North East	81	6.2%
Wales	78	6.2%
Yorkshire and Humber	77	6.1%
South East	77	6.7%
Scotland	76	7.4%
North West	73	6.6%
West Midlands	73	7.5%
East Midlands	73	6.7%
South West	72	6.4%
East of England	71	5.2%
London	67	7.2%
Northern Ireland	64	9.8%

Salary by sector

73%

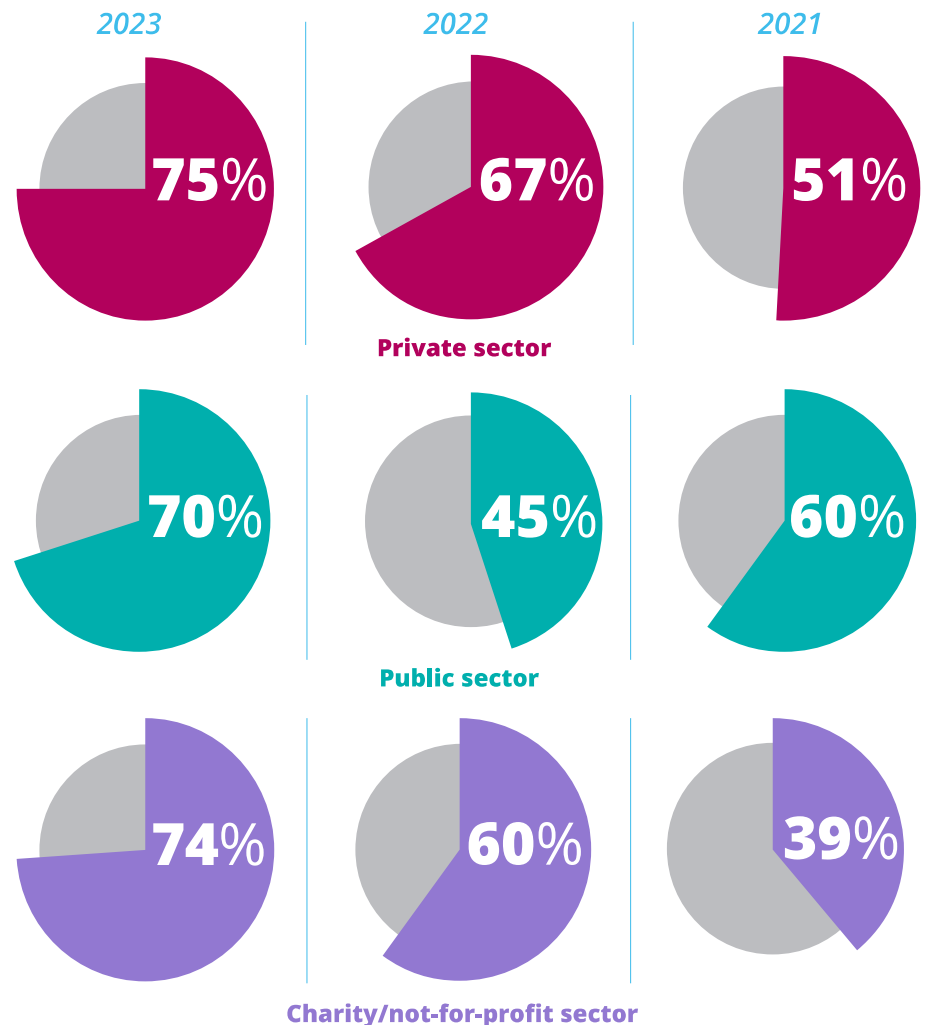
received a pay rise across all sectors

While the biggest percentage of procurement professionals receiving a pay rise is once again seen in the private sector this year (75%), there is upward movement across the board. However, all of this must be seen within a context of rising inflation and a cost-of-living crisis, meaning that higher salaries are needed to keep pace and retain the same buying power.

This year's biggest percentage increase in average salary was in the charity/not-for-profit sector, at 8.6%, while those in the public sector have risen on average by 8.5%. In the private sector the figure was 6.4%. It's good to see some rebalancing is clearly taking place following pay freezes and low rises in the public sector over a number of years.

It's worth noting here also that salaries alone will not tell the whole picture; it's important to consider the impact of the whole package when making such comparisons.

% of procurement professionals receiving a salary increase



Average salary by sector

Private sector



Public sector

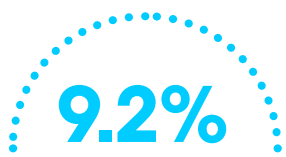


Charity/not-for-profit sector



0 10 20 30 40 50 60
GBP 000s

Salaries: Private sector breakdown



9.2%
average pay rise for procurement professionals in professional and business services, up from 7.2% in 2022

It's been a good year for those working in professional and business services. The industry heads the chart this year for both average salary and for pay rise as a percentage of salary.

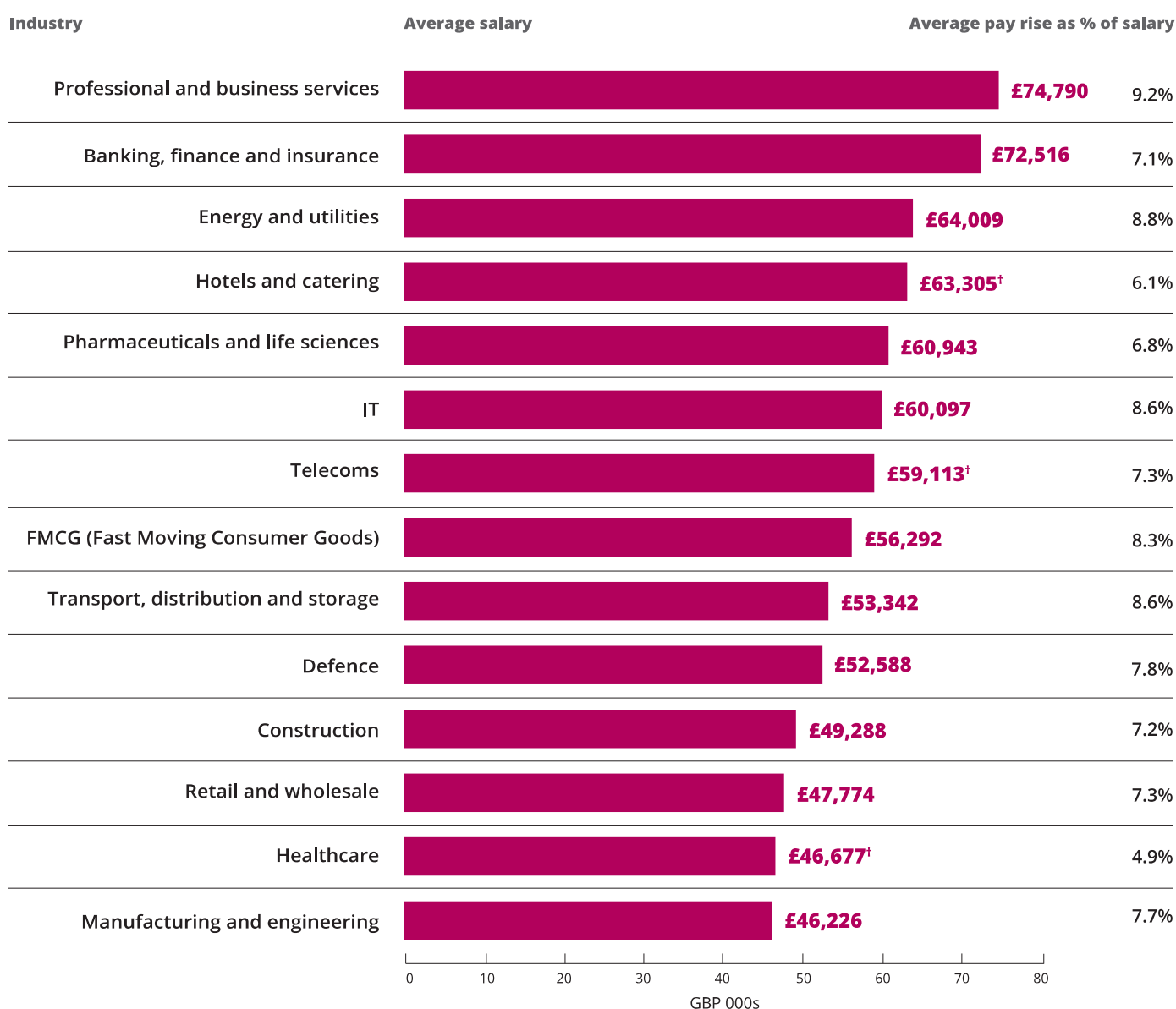
The same industries make up the top three this year, although professional and business services has overtaken banking, finance and insurance, which held first place in 2022. Energy and utilities is closely followed by hotels and catering, which continues to bounce back following severe challenges caused by the pandemic, with new dynamism injected perhaps by the 'staycation' trend.

Pharmaceutical and life sciences is only slightly below last year's

level, following a leap of over £11k in 2022, after a drop of over £8k in 2021. After the incredible central role that industry played during the pandemic it's positive to see average pay still rising there.

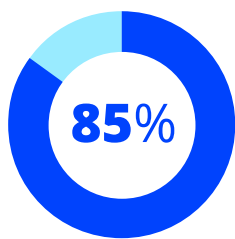
In energy and utilities the average pay rise as a percentage of salary was 8.8% this year, up from 5.4% last year – reflecting the increased value of buyers who have been under enormous pressure as they seek to keep costs down in highly volatile markets.

UK average procurement salaries private sector

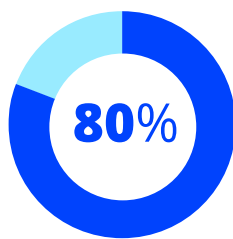


Salaries: Private sector breakdown continued

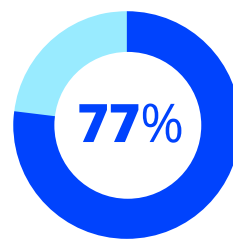
Proportion of procurement professionals who received a salary increase



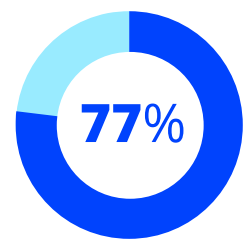
Defence



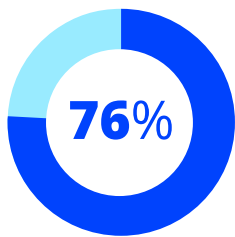
Manufacturing and engineering



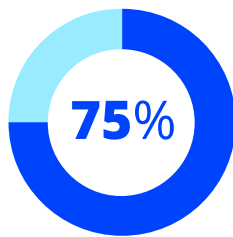
Healthcare†



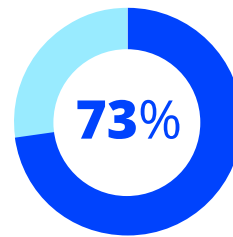
Banking, finance and insurance



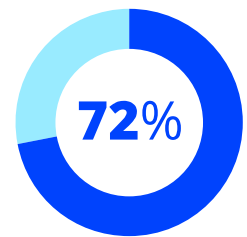
Energy and utilities



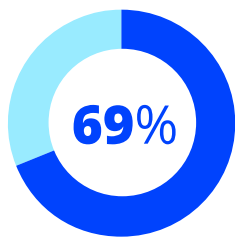
Construction



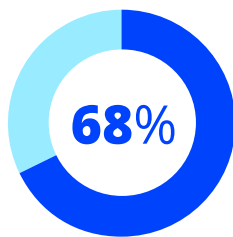
FMCG



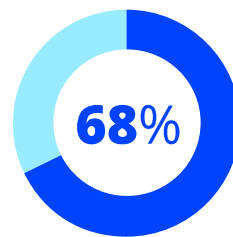
Transport, distribution and storage



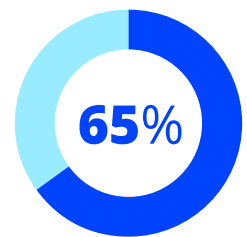
Retail and wholesale



Telecoms†



IT



Professional and business services

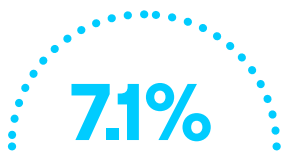
 The large proportion of professionals receiving salary hikes in defence and engineering is demonstrative of their potential for growth and innovation as industries, and the significant level of investment that goes with it. Moreover, their high profile makes them attractive prospects for ambitious procurement professionals, and – positively – these increases to pay clearly serve to indicate how much organisations value their skills and expertise. The war in Ukraine, in particular, has highlighted the importance of quantity, speed and affordability when it comes to acquiring the right systems and equipment, and procurement professionals have been at the heart of this.

Scott Dance, UK&I Procurement Engagement Director, Hays



WATCH: *Which industries are in demand and why?*

Salaries: Public sector breakdown



average pay rise for procurement professionals in NDPB

Procurement professionals working in non-departmental public bodies (NDPBs) command the highest average

salary this year – £57,281. That’s a 21% increase on last year’s £47,182, standing favourably against an average public sector salary of £49,593.

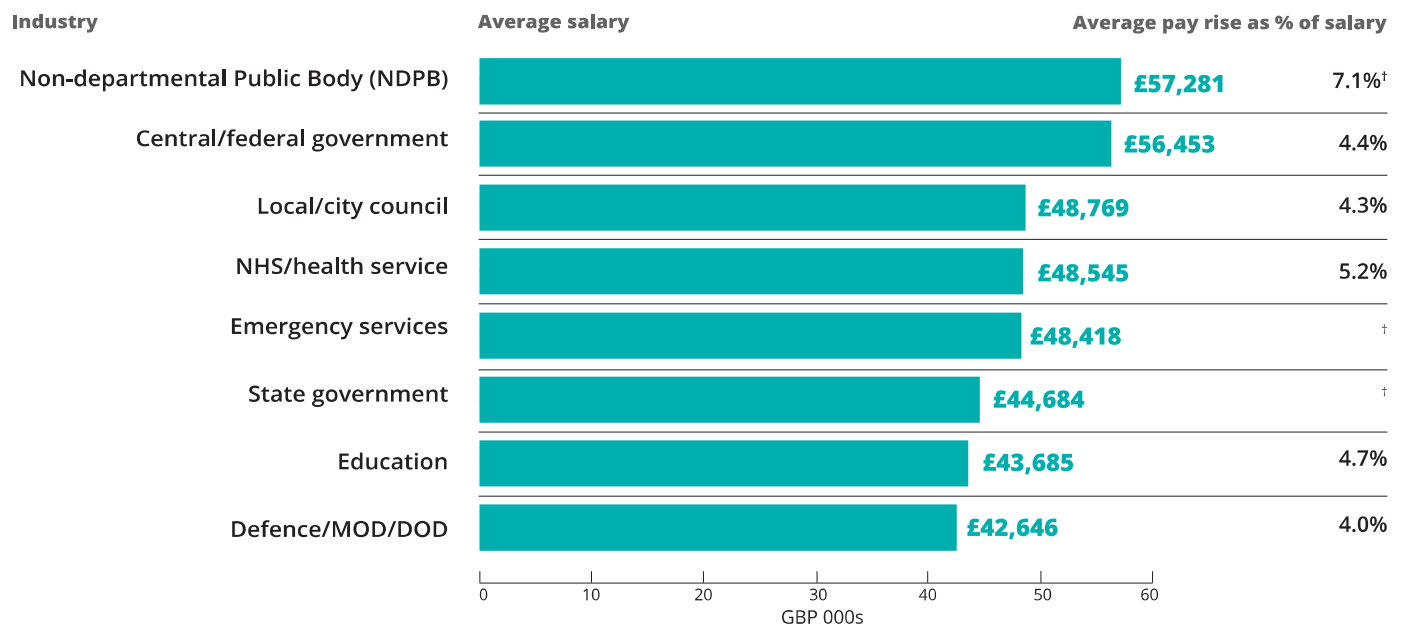
Their move up from second place on our list last year was aided in part by their also having the biggest pay rises as percentage of salary (7.1%).

The biggest increase this year to pay

rises as a percentage of salary is in central/federal government, up by 2.1 percentage points to 4.4% this year.

The greatest proportion of those in the procurement profession working in the public sector to receive an increase to their salary was in local/city councils. Almost four people in five had a pay rise this year (78%), compared with less than half (49%) in the previous year.

UK average procurement salaries public sector

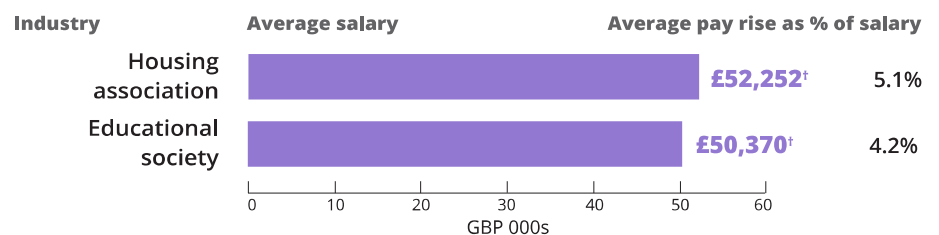


Salaries: Charity/not-for-profit breakdown

The two sets of respondents with sufficient data to report were the same ones as last year. However, this time their positions are reversed thanks to an 11.9% increase in average salary for procurement professionals working in housing associations, up to £52,252 from £46,709. Those working in an educational society saw an average rise of just 3.8%, from £48,545 last year to £50,370 this time.

As a percentage of their salary,

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



those in educational societies received increases averaging 4.2%, while those in housing associations

were higher again at 5.1%, with 77% reporting that they had received a salary increase.

Salaries by sector and seniority

20%

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

All three sectors showed year-on-year increases, but at Advanced Professional and Professional levels, average salaries continue to be substantially higher in the private sector.

The disparities between salaries in the private and public sector remain at quite similar levels to those seen last year at the three most senior levels, though there are variances within those levels for different job titles.

This year, those working at Operational or Tactical job levels in the private sector also earned higher salaries on average than those in the public sector, whereas 12 months ago this trend was reversed.

Average salaries by sector and job level

Advanced Professional



Professional



Managerial



Operational*



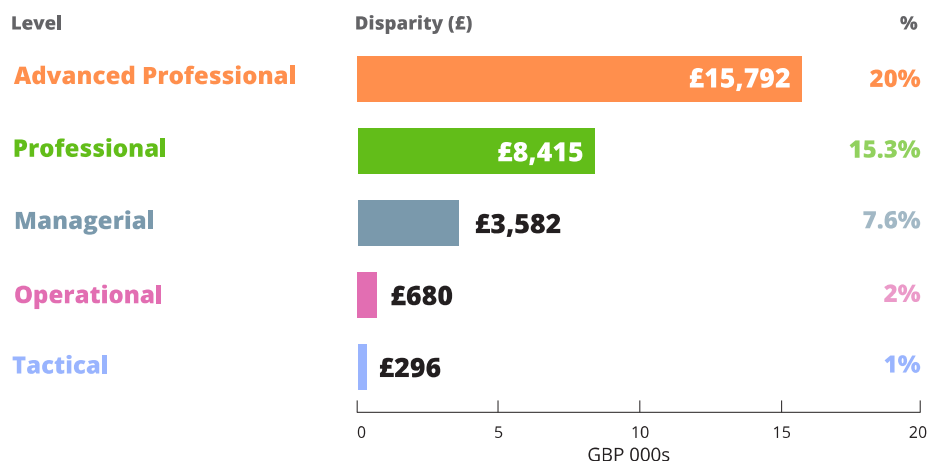
Tactical*



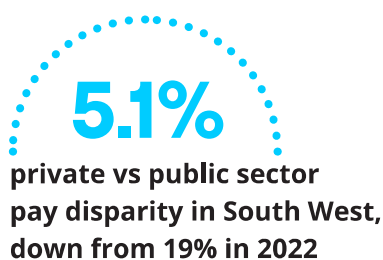
0 20 40 60 80 100
GBP 000s

* Base too low to report for charity/not-for-profit sector

Salary disparity between private and public sector by job level



Salaries by sector and region



It's a big challenge for organisations in the public sector to compete on salary with those in the private sector, where companies generally enjoy greater freedom when it comes to increasing pay to meet candidate expectations. Budget restraints were deemed to be the top challenge in the public sector this year, which could impact their



flexibility when it comes to competing on salaries.

However, pay is not the only metric professionals are looking for, and public sector organisations have the ability to compete in other ways, including their employee value proposition (EVP) and the benefits they offer.

Shifting pay gaps

Private and public sector salary disparities have widened over the past 12 months in some areas. In London the gap went up from 20% last year to 27.2% this year.

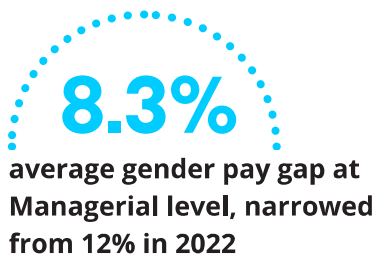
There are some notable shifts elsewhere too. In the South West the salary disparity between private and public sector was a much more modest 5.1% compared with the previous year's 19%, meaning the gap has narrowed from £7,376 to £2,335. Similarly in Wales, it's now 4.9% instead of 23%, with a £9,167 difference shrinking to £2,261.

Average procurement salaries by region and sector

Region	Private sector	Public sector	Private vs public sector disparity %*
London	£76,362	£60,010	27.2%
Scotland	£59,840	£44,388	34.8%
South East	£54,536	£51,580	5.7%
East of England	£54,295	£45,114	20.4%
East Midlands	£50,081	£44,018	13.8%
West Midlands	£50,021	£54,353	-8.0%
Wales	£48,258	£45,997	4.9%
South West	£48,046	£45,711	5.1%
North East	£47,791	£49,692	-3.8%
Yorkshire and Humber	£46,779	£45,085	3.8%
North West	£45,391	£48,940	-7.3%
Northern Ireland	£40,361	£36,951	9.2%

* base too low to report for charity/not-for-profit sector

Salaries by gender



The gender pay gap trends are something we continue to monitor on an annual basis, and this year 36% stated that their organisations complete a gender pay gap report. The gender pay gap is a figure that regularly comes under close scrutiny,

and rightly so. While the survey data is useful for looking at the overall trends, it's important to note that other factors have an influence on the data too, including salary variations for particular job roles within the levels themselves, as well as sector and industry variances.

While it's encouraging to see progress being made, there's still a lot of work that needs to be done. In order for us to continue to see the narrowing trend across all levels, professionals must take responsibility to strive for equal

opportunities and equal pay for work of equal or comparable value within their own organisations.

Putting comprehensive Equality, Diversity and Inclusion (ED&I) policies at the centre of organisations' talent attraction and retention strategies, with tailored flexible working options, is also a key element. Policies only go so far, however. To create an environment where everyone feels they can meet their full potential, organisations must embed an ED&I culture right at their core.

UK average salary by gender and level of seniority

● Male ● Female

Salary difference/disparity

Advanced Professional



Professional



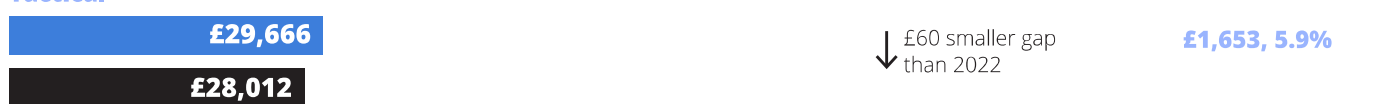
Managerial



Operational

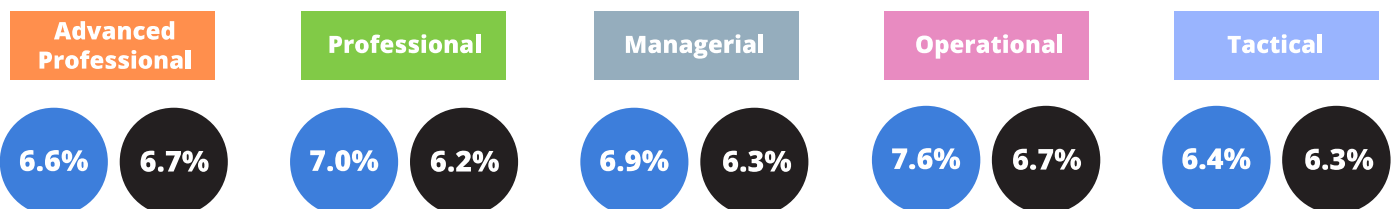


Tactical



Average salary increase by gender and level

● Male ● Female

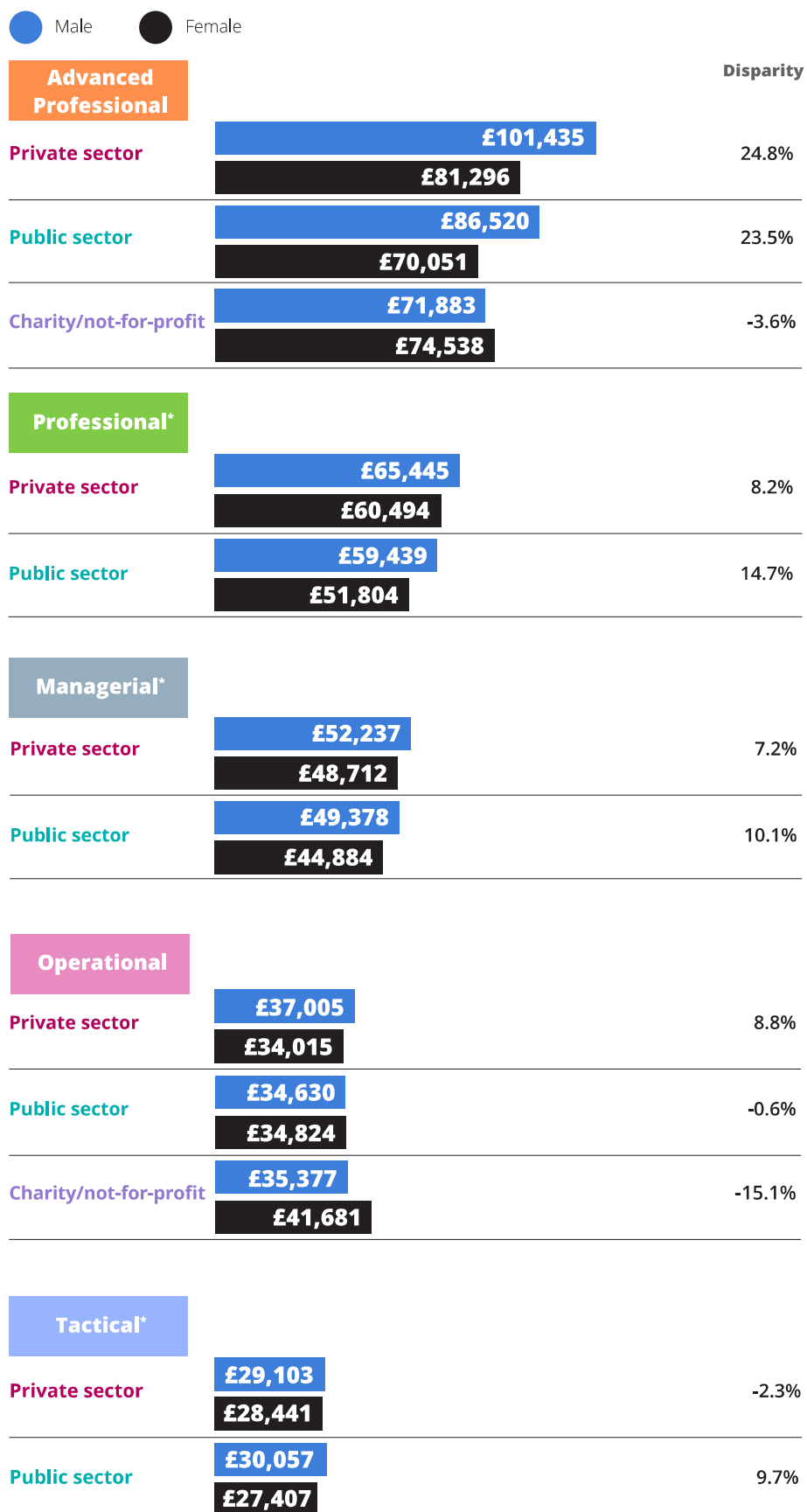


Salaries by gender and sector

For organisations to make meaningful progress towards eliminating the gender pay gap, close and careful examination of salary data – including identifying where there is heavy male or female weighting of teams – is essential. Scrutiny of the median gender pay gap – or the difference between the midpoints in the ranges of hourly earnings of men and women – as well as the overall average will help you to establish the story behind the data, and where changes can be made to address imbalances. Whether these are actions to increase the recruitment of women at more senior levels, or to retain them by re-evaluating your promotion processes, it's essential that progress towards equality in pay is measured and monitored both frankly and honestly.

Yvonne Smyth,
DE&I Practice Lead, Hays

Average salary by sector, gender and level of seniority



* Base too low to report for charity/not-for-profit sector

Salaries by ethnicity

5.9%

overall gap in average salary between procurement professionals identifying as white vs minority ethnic

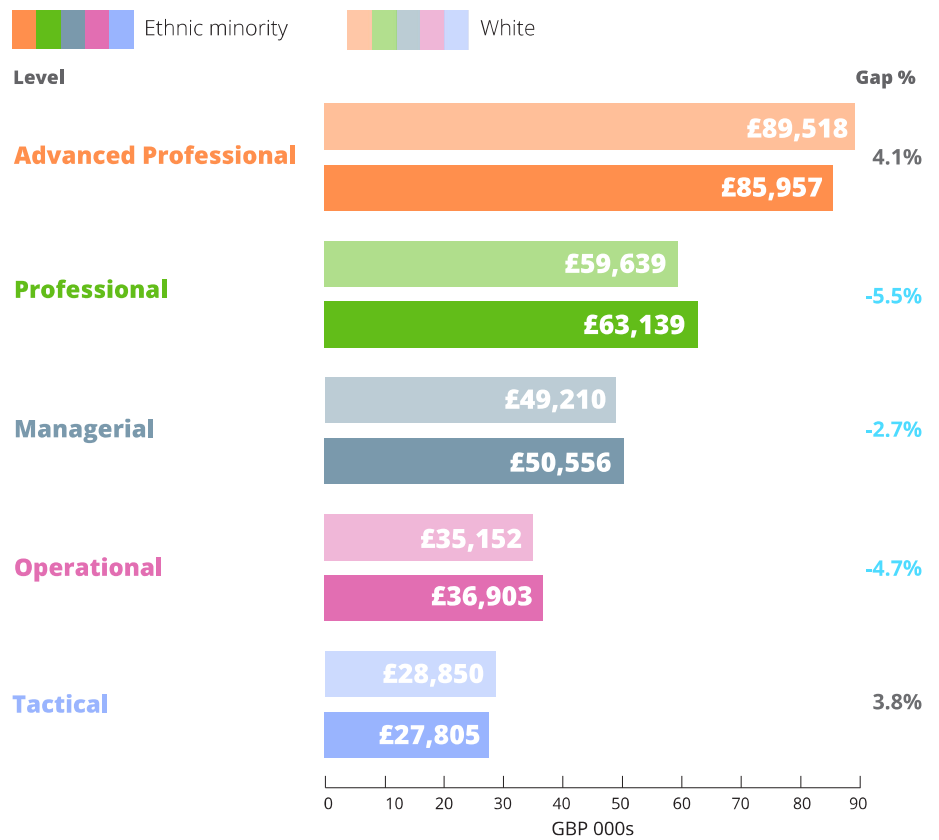
The ethnicity pay gap is something we are starting to monitor. While we can look at the overall trends, it is important to note that there are other factors affecting our data, such as the salary variations between job roles within the levels themselves, as well as gender, sector and industry variances.

This year only 19% of survey respondents stated that their organisations complete an ethnicity pay gap report. The overall ethnicity pay gap this year is 5.9%. In the private sector, the gap was 9%, whereas in the public sector it was far lower, at 1.3%.

The gap this year is prominent at the most senior and junior levels, Advanced Professional and Tactical. At the other levels, those professionals who identify as ethnic minorities were actually more likely to earn more than those who identify as white.

Organisations should focus on embedding Equality, Diversity & Inclusion (ED&I) into their culture to change attitudes and behaviours for the better. For example, assessing whether a candidate for a role really needs a degree, advertising far and wide, and taking every possible measure to hire from a broader pool of candidates in order to give more opportunities to more people.

Average salary by ethnicity by level



Average salary by ethnicity by sector



Bonuses by seniority

8.5%

overall average bonus paid as % of salary this year

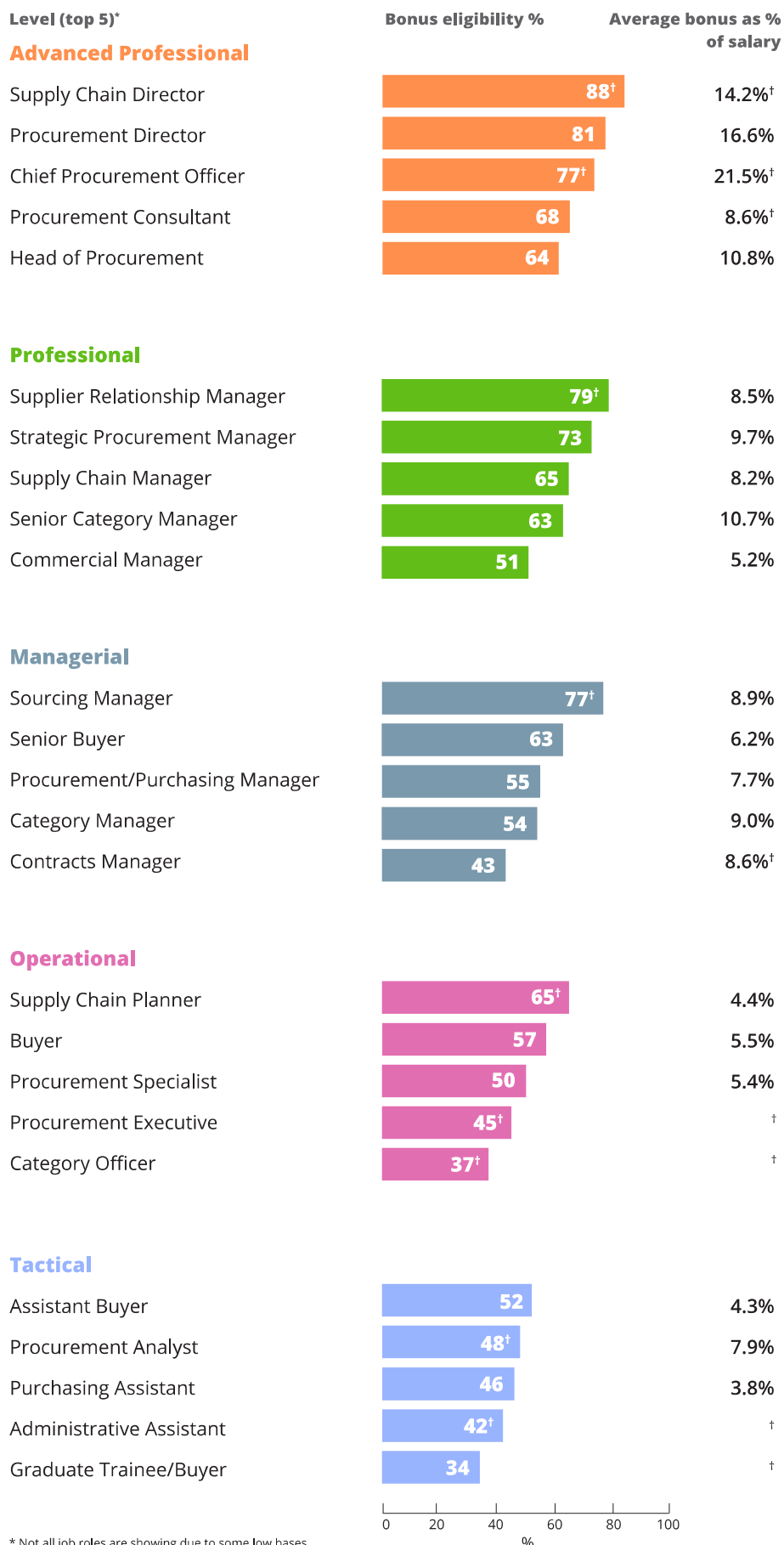
This year 57% of procurement professionals surveyed said they are eligible for a bonus. That's up from 53% in 2022, and is in line with a growing preference among companies to link pay more closely to performance. That makes a lot of sense in the current economic climate, helping to give some protection against high inflation and volatile markets.

Employment status makes a significant difference to how likely people are to be included in a bonus scheme. The figure for full-time employees matched that of the total (57%), whereas those employed on a part-time basis were less likely to be entitled to one, at 45%.

Also important is how long their employment has been. For those working in procurement for fewer than two years, only two-fifths (40%) said they were eligible for a bonus.

Men are more likely to be entitled to a bonus scheme, with 61% receiving one in comparison with 52% of women; it is likely that this is impacted by the difference in gender responses by sector this year. Bonuses are also more common in the private sector, with 71% reporting having received one. This is in comparison to only 30% in the public sector and 25% in the charity/not-for-profit sector.

Average bonus received as % of salary



* Not all job roles are showing due to some low bases

Bonuses by seniority continued

There's a difference between how companies define bonus targets, and the way that procurement professionals would prefer them to be defined. Organisations tend to offer bonuses based on company targets. That way, they are only committed to paying out if the company has performed well, and can afford it.

For the employee, however, it tends to be more appealing (and motivating) when the bonus is based on how well they themselves have performed. Somewhere in the middle of that are team targets – individuals can have an influence on team performance, but are not completely in control of it.

According to this year's survey, 82% of bonuses are defined by companies achieving targets, compared with personal targets in just over half of cases (54%). However, nearly three-quarters (74%) would prefer their bonus to be based on personal performance, and 50% for it to be defined by the company achieving targets.

How bonus is defined vs preferred

● Defined ● Preferred

Overall numbers



Bonuses: MCIPS and non-MCIPS



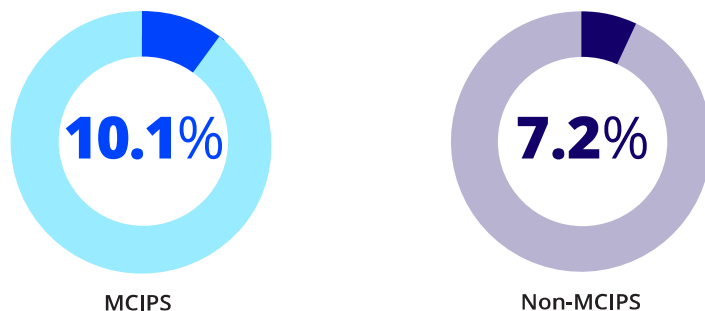
of salary, average bonus paid to MCIPS professionals, compared with 7.2% for non-MCIPS

There is clear evidence once again this year that achieving MCIPS pays dividends, in many ways.

Three-fifths (60%) of those with MCIPS said they were entitled to a bonus, compared with only just over half (53%) of procurement professionals

Bonus received as proportion of annual salary

MCIPS and non-MCIPS



without. What's more, the bonus amounted to an average of 10.1% of salary for MCIPS professionals

and 9.1% for those with FCIPS, whereas for those without MCIPS the figure was 7.2%.

Bonuses by sector and industry: Private sector

71%
of procurement professionals in the private sector are eligible for a bonus

Bonuses are more common in the private sector than elsewhere, and 71% of procurement professionals

working for a private sector organisation were eligible for one. However, there is quite a big difference from industry to industry, with nearly all of those working in banking, finance and insurance enrolled into a bonus scheme (97%), compared with only just over half of those in healthcare (53%).

Moreover, not all schemes are created equal: in pharmaceuticals and life

sciences bonuses equate to an average of 12.7% of annual salary, whereas in defence it's around half of that proportion, at 6.3%.

9%
of salary, overall average private sector bonus

Bonus eligibility private sector industries

Industry	Bonus eligibility %	Average bonus received as % of salary
Banking, finance and insurance	97	10.7%
Energy and utilities	83	9.3%
FMCG	81	10.5%
Agriculture, forestry and fishing	80	†
Pharmaceuticals and life science	80	12.7%
Telecoms	79	11.8%
Hotels and catering	79	8.2%
Transport, distribution and storage	75	9.8%
Professional and business services	73	7.4%
IT	70	8.1%
Retail and wholesale	68	10.9%
Defence	68	6.3%
Manufacturing and engineering	63	7.4%
Construction	59	7.0%
Healthcare	53	10.0%

0 20 40 60 80 100
GBP 000s

Bonuses by sector and industry: Public sector



30%
of procurement professionals in the public sector are eligible for a bonus

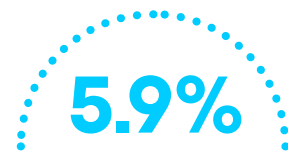
Bonus schemes appear to be much less common in the public than the private sector. However, 30% of public sector procurement professionals said they were eligible for one this year,

compared with 25% in 2022.

There are notable variances between different areas of the public sector, with well over half of those working in non-departmental public bodies (NDPBs) (56%) or central or federal government (53%) in line for one, compared with only just over a tenth (12%) of those in education.

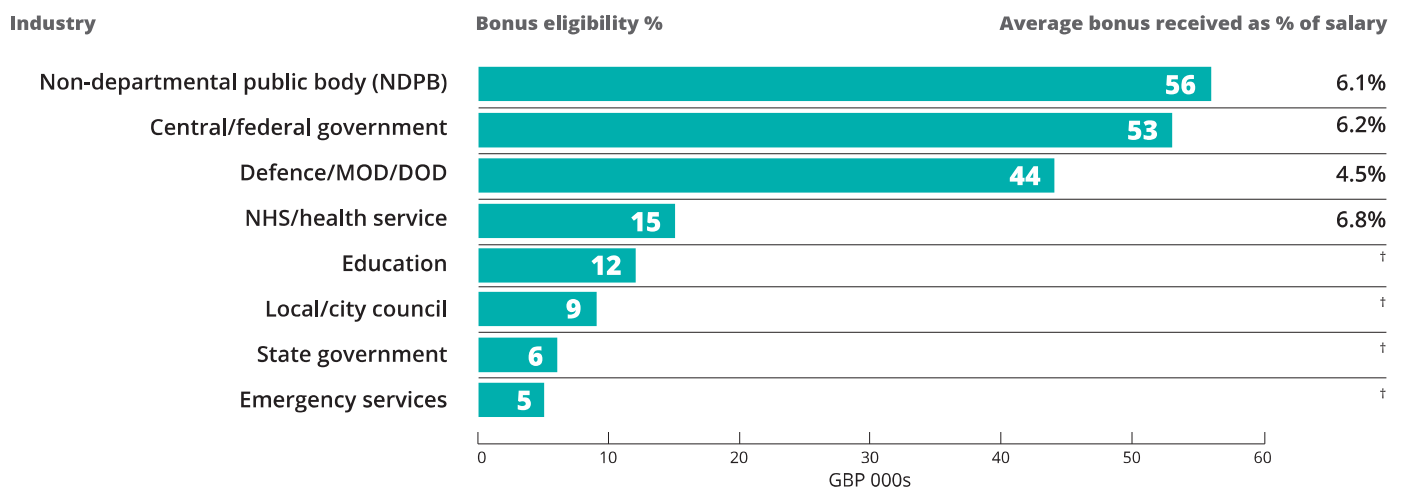
Bonuses in the public sector are likely to be considerably lower too –

since both the percentage and the salary the bonus is a percentage of are lower. The highest bonus as a percentage of salary was in the NHS/health service, at 6.8%.

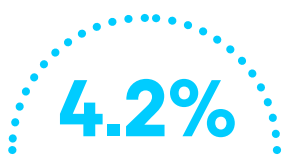


5.9%
of salary, overall average public sector bonus

Bonus eligibility public sector industries



Bonus eligibility charity/not-for-profit sector

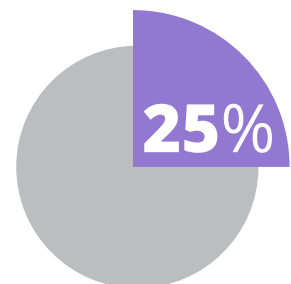


4.2%
of salary, overall average charity/not-for-profit sector bonus

Since profit is not a key factor in the charity/not-for-profit sector, it's not really surprising to find that bonuses are not a key part of the package for most procurement professionals

working there either, with only 25% of them eligible.

Even for those whose package is structured that way, on average the percentage of bonus they receive is just 4.2%, compared with 9% in the private sector. Professionals working in educational bodies or housing associations are the most likely to be eligible for a bonus in this sector, though the sample base was too low to report those figures.



25%
of procurement professionals in the charity/not-for-profit sector who responded to the survey are eligible for a bonus[†]

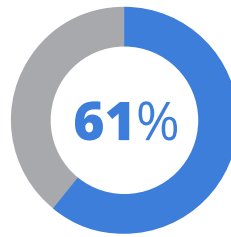
Bonuses by gender and region

The gender gap has narrowed this year for bonus eligibility from 12% to 9%, with 61% of men eligible for a bonus compared with just over half of women (52%).

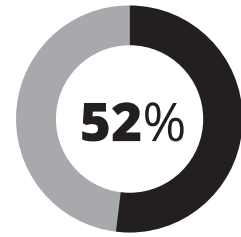
London is once again the place where procurement professionals are most likely to be eligible for a bonus, by a seven-point margin compared with the next most likely, the East Midlands. London's figure is driven by the banking, finance and insurance industry being most concentrated in the capital, and bonuses are much more common in that industry than elsewhere, with 97% of procurement professionals eligible for one.

London is also where the biggest bonuses as a percentage of salary are seen, followed by Scotland and then Northern Ireland, where bonus eligibility is the lowest of the 12 regions, at 36%. These figures may be driven by private sector companies in those regions pushing up salaries and the bonus percentage.

Bonus eligibility by gender

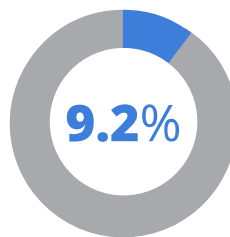


Men

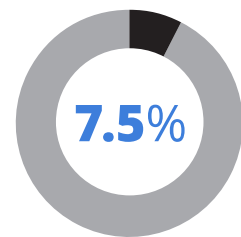


Women

Average bonus as a % of salary



Men



Women

Bonus eligibility by region

Region	Bonus eligibility %	Average bonus as % of salary
London	67	10.7%
East Midlands	60	7.8%
North West	58	8.4%
South West	57	6.7%
South East	56	7.7%
Scotland	56	9.8%
West Midlands	55	6.7%
Yorkshire and Humber	54	7.7%
East of England	53	9.0%
North East	50	8.2%†
Wales	40	7.3%†
Northern Ireland	36	9.8%†

Pay grade structure

79%

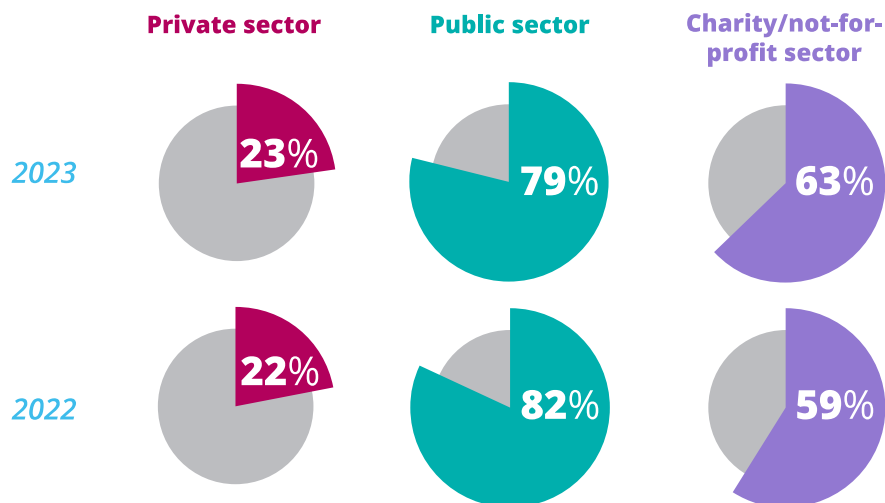
of public sector organisations have a transparent pay grade structure

According to the UK government's Equalities Office: "Employers should clearly communicate the salary range on offer for a role to encourage women to negotiate." Having a transparent pay grade structure is a tried and tested way of helping improve equality of opportunity, both in terms of gender and arguably all diverse characteristics.

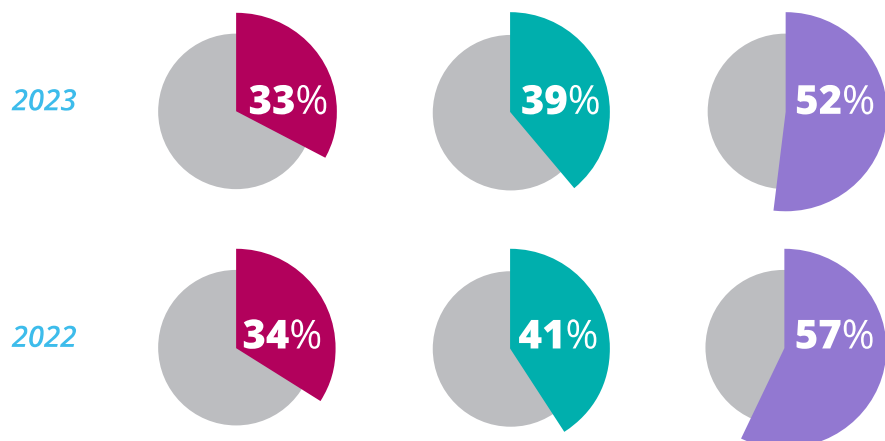
That message is being heard in the public sector, with 79% of respondents to our survey stating that the pay grade structure is transparent where they work. However, in the private sector the figure is less than a quarter (23%), pulling down the average across all sectors to 59% this year.

In support of that transparency, publishing pay gap reports that reference both gender and ethnicity can help organisations make great forward strides towards equality.

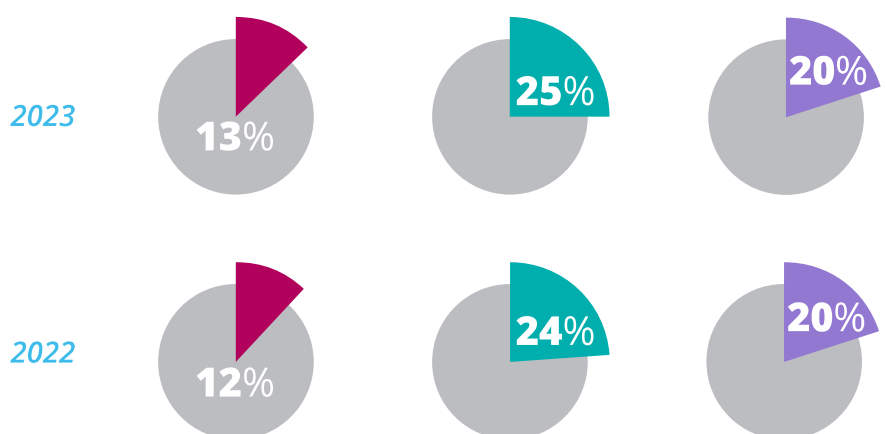
Proportion of organisations with transparent pay grade structure by sector



Proportion of organisations that publish a gender pay gap report



Proportion of organisations that publish an ethnicity pay gap report



Benefits



the proportion of procurement professionals receiving the benefit of working from home (up from 76% in 2022)

Remote working is now virtually a given for most people where it is a practical option, and working from home and flexible working hours are once again the most commonly desired and received benefits of all for procurement professionals this year.

It's interesting to compare which benefits procurement professionals

would like to get with the ones they are currently receiving. More people would like a car allowance/company car than receive it (a difference of 11 percentage points), and the same is true to a lesser degree of private medical insurance (nine percentage points) and income protection/permanent health insurance (seven percentage points).

The benefits that companies mostly offer are working from home (78%), flexible hours (56%) and a mobile phone to use for work (55%).

Offering employees a choice of benefits is more important than the sheer quantity. The best approach is a tailored package, with a certain amount

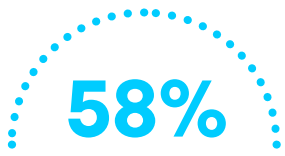
of money dedicated to benefits and staff allowed to spend it how they like, whether that's on childcare vouchers or medical insurance. This helps companies create benefits packages that are attractive to a wide range of different people with different needs; and even staying relevant to people's lives as they themselves and their circumstances change.

"People's needs evolve as their lifestyle and priorities change," says Scott Dance, UK&I Procurement Engagement Director at Hays. "An ageing workforce is also a factor here – people are working a long time and their needs might be completely different depending on where they are in their lives."

The benefit desired and rate received

Benefit	% desiring	% currently receiving	Difference: desiring vs receiving %
Working from home	58	78	20%
Flexible working hours	51	56	5%
Private medical insurance	47	38	-9%
Above statutory pension contributions	37	43	6%
Car allowance/company car	31	20	-11%
Support for study/career development	26	45	19%
Life assurance/death in service benefits	25	48	23%
Income protection/health insurance	21	14	-7%
Buy or sell holidays	20	35	15%
Professional body membership fees	20	42	22%

Benefits: sector and gender



Say working from home is their most desired benefit (across all sectors)

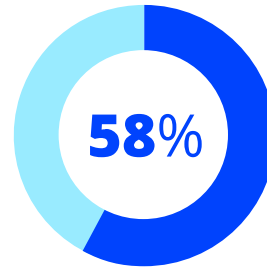
The benefits women are more likely to receive include working from home, legal advice or counselling, and support for study or career development. Men, on the other hand, are more likely to receive a mobile phone for work use, a fuel card, income protection, personal accident insurance, subsidised lunches, pension contributions above the statutory rate, private medical insurance, car allowance, season ticket loans and assistance with child school fees.

The top five most-desired benefits across all sectors are the same as they were in 2022, and at fairly similar levels. However, the desire for private medical insurance has been growing gradually over the past four years, perhaps indicating fears about lengthening waiting lists and the ability of the NHS to keep up with demand.

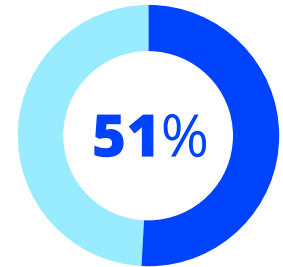
When desired benefits are broken down further by sector and gender, it appears that flexible working hours are becoming less of a priority again for male procurement professionals working in the private sector (39%), having peaked at 51% in 2021 during the pandemic. For women working in the public sector, however, the desire to work from home is still above the pre-pandemic level (60%, compared with 41% at the start of 2020), but 5 percentage points lower than last year. This reflects how hybrid working has become the norm for many people.

There's a noticeable rise, meanwhile, in the desirability of working from home for men in the charity/not-for-profit sector, from 49% last year to 69% this time round. For female procurement professionals in that sector, the proportion of those citing flexible working hours as desirable was 7 percentage points lower this year, at 63%.

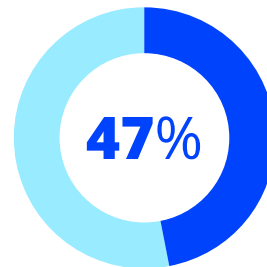
Top five desired benefits across all sectors



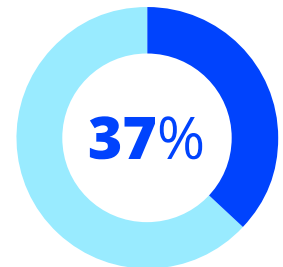
1. Working from home



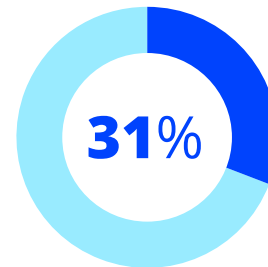
2. Flexible working hours



3. Private medical insurance



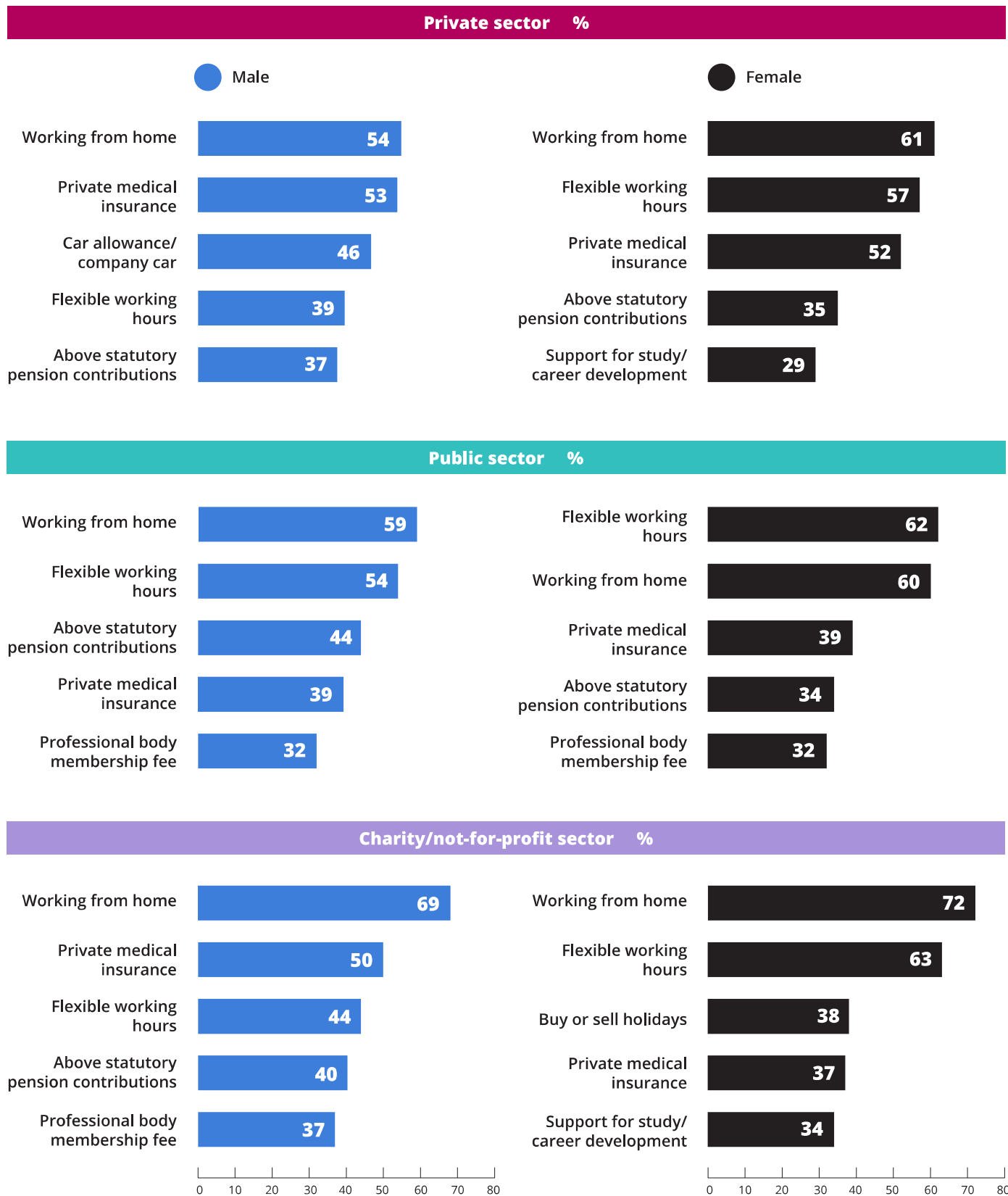
4. Above statutory pension contributions



5. Car allowance/company car

Benefits: sector and gender continued

Top five most desired benefits by sector and gender



Benefits: seniority and gender

One lasting effect of the pandemic is that we all now think more about our work-life balance. It was the catalyst for major and widespread changes to our working patterns, and this year working from home and flexible working were again easily the most popular benefits across all job levels and genders.

Reflecting the greater diversity in the

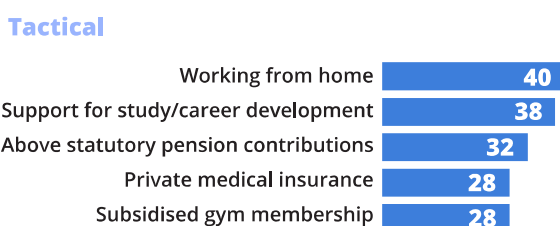
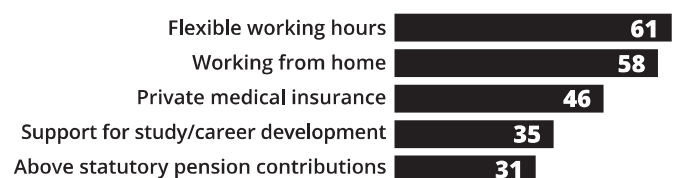
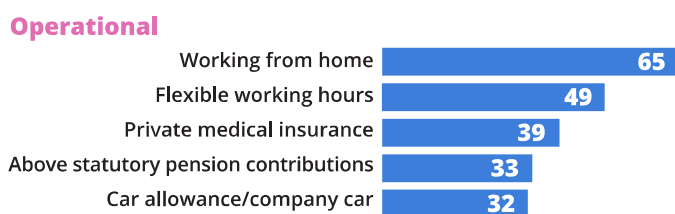
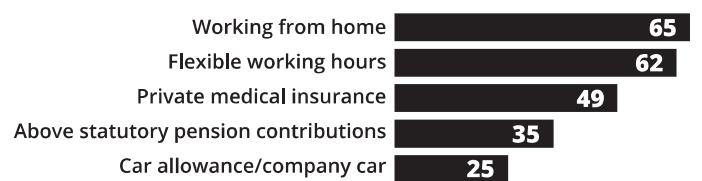
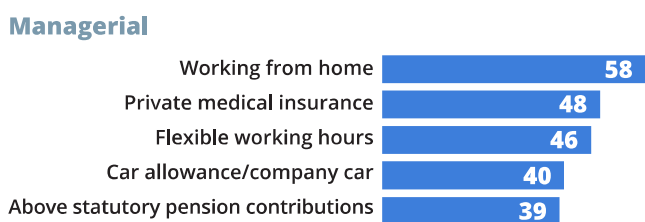
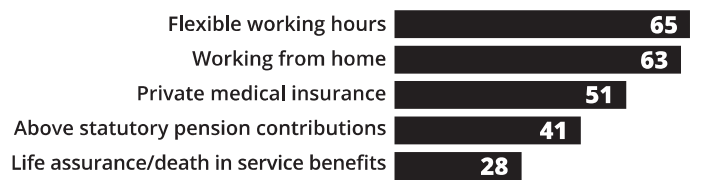
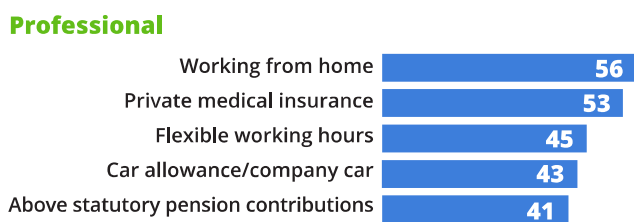
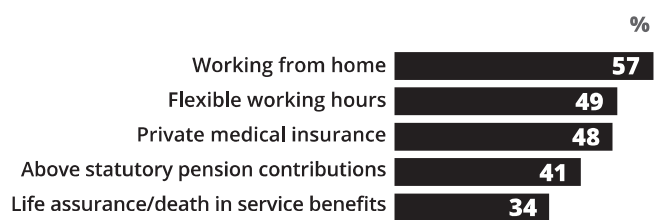
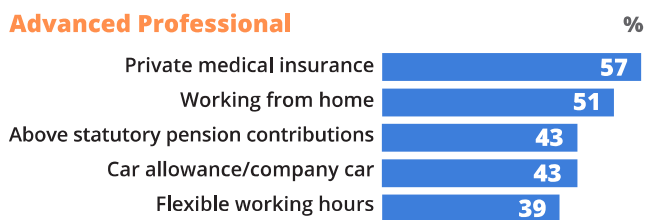
workplace and an ageing working population, a flexible approach to benefits is important these days, rather than the sheer quantity of what's on offer. The best benefits packages are those that are tailored to a person's actual needs.

Rather than a fixed package, it's better to offer a certain amount of money that can be put towards

benefits, and give employees the choice of whether to use it for childcare vouchers or medical insurance, for example. By taking this approach, the benefits organisations offer will stay relevant to their employees' lives as their lifestyle and priorities change.

Top five benefits by job level and gender

● Male ● Female



Work-life balance by sector, gender and seniority

87%

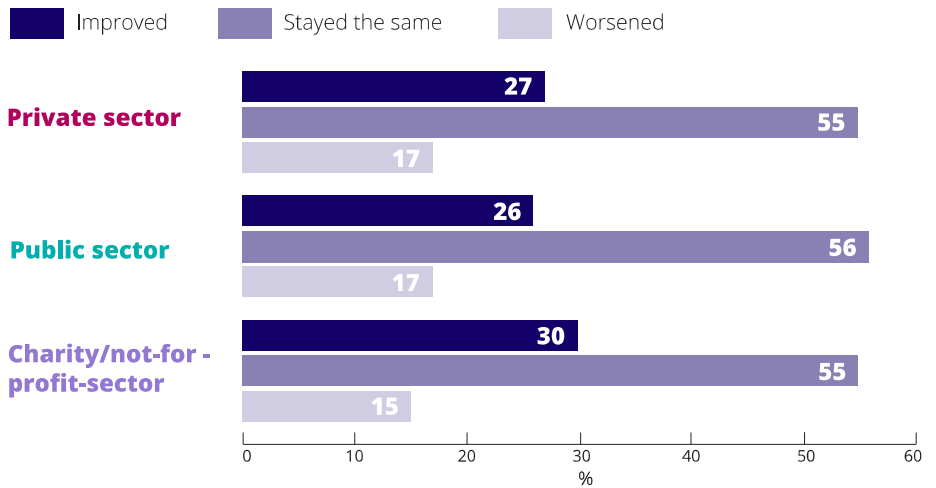
of procurement professionals have no plans to change their working hours in the next 12 months

For the majority, work-life balance has stayed the same, but for more than a quarter of respondents in every sector there was some improvement to report. That's very positive, especially in the context of an extremely challenging economic background bordering on recession. There was broad agreement across the profession at all different levels too, though those at more senior levels were more likely to feel it has worsened.

When asked about what hybrid working arrangement they prefer, a large majority of procurement professionals in all three sectors said they preferred the freedom to choose. That option was around three times as popular as a fixed hybrid model with a set number of days in an office (the next most preferred) or being fully office-based. What's more, there was consensus on those preferences across all job levels in the profession, and between men and women.

In terms of benefits provided to support teams with uncertainty and challenges, the preferred offerings were the same across all sectors, with regular one-to-one meetings between managers and reports coming top. This is followed by a strong use of internal communications channels and clear and suitable wellbeing corporate policies.

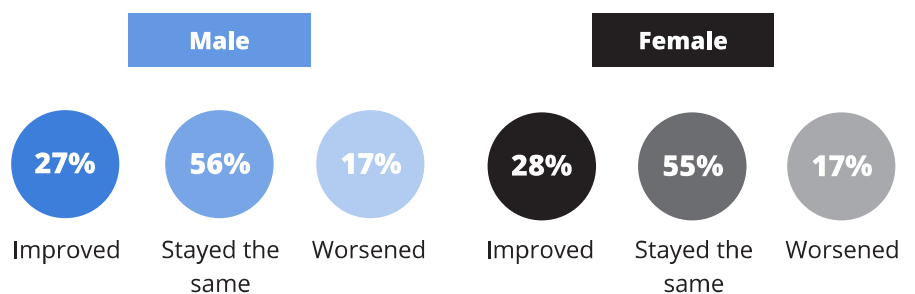
Work-life balance change over the past 12 months by sector



Work-life balance change over the past 12 months by level



Work-life balance change over the past 12 months by gender

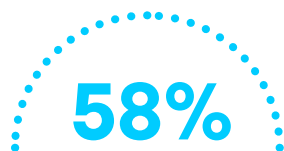


Talent management

It's the people within any business that are its biggest asset. With the competition hot right now for procurement professionals with the right skills, it's crucial to understand what will attract and keep the best and brightest talent.

We've seen dramatic changes to the way we work over the last few years. People's working patterns and work-life balance were turned upside down during the pandemic, creating a new landscape both for those seeking their next opportunity and for organisations looking to hire them.

Global economic uncertainty and an ongoing cost-of-living crisis has meant that salary has become a greater focus for those looking to move, yet budget restraints within organisations make meeting those demands more challenging than ever. In this climate, organisations need to find more creative ways to attract and compete for the talent they need.



58% of employers request MCIPS (or studying towards) when recruiting

Hybrid working is a key requirement for many procurement professionals, with 89% saying it has a positive impact on their work-life balance. Flexible working options, including compressed hours, are becoming more commonplace. To stay competitive, organisations need to make sure they are still offering what people are actually looking for in this new context.

By adopting improved equality, diversity and inclusion (ED&I – see Section 4) practices and getting better at telling the stories of what they do – as well as being more open-minded about what they are looking for – organisations can cast the net to a wider and more diverse pool of talent.

Organisations can, moreover, become more competitive by taking a fresh look at their employee value proposition (EVP) and tailoring the benefits and work-life balance they offer. For example, providing training and study leave at all levels will help make a clear pathway to career progression visible for professionals – creating greater loyalty from current employees, as well as helping to attract new talent.



A strong EVP (employee value proposition) from a company-wide perspective, as well as from a personal one, is critical to attracting the right talent. Pre-empting crucial questions candidates might have about an organisation's values, culture and progression opportunities show not only an understanding of what's important to them, but also a genuine interest in fulfilling their expectations of you as an employer.

Scott Dance, UK&I Procurement Engagement Director, Hays

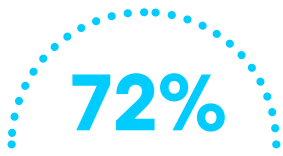


WATCH: *How can organisations keep candidates engaged throughout the hiring process?*

MCIPS: Enhance your career

Discover how this globally recognised standard offers significant career benefits

Hiring challenges

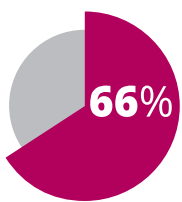


of organisations have struggled to hire the right talent in the past 12 months across all sectors

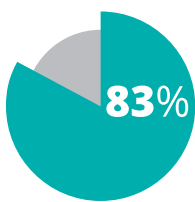
Organisations are finding it considerably harder this year to find the talent they are looking for, with 72% struggling to do so compared with 63% in 2022. That figure has risen across all three sectors. The biggest jump is in the public sector, with a rise of 12 percentage points seeing 83% now struggling. As the cost-of-living crisis continues to bite, this year's survey shows salary expectations becoming the biggest challenge for organisations seeking to recruit the right talent. Within a context of high inflation and interest rates, it's natural that financial rewards are at the forefront of people's minds when considering moving jobs. In addition, the current skills shortage means that those who do have the right credentials are more in demand, and so can command higher salaries.

Last year, candidate salary expectations were the fourth biggest challenge for employers in the public sector; this time they are at the top of that list. Increased budget restraints means employers are having to look hard

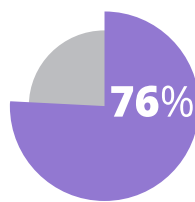
Organisations that have struggled to find the right procurement talent by sector



Private sector

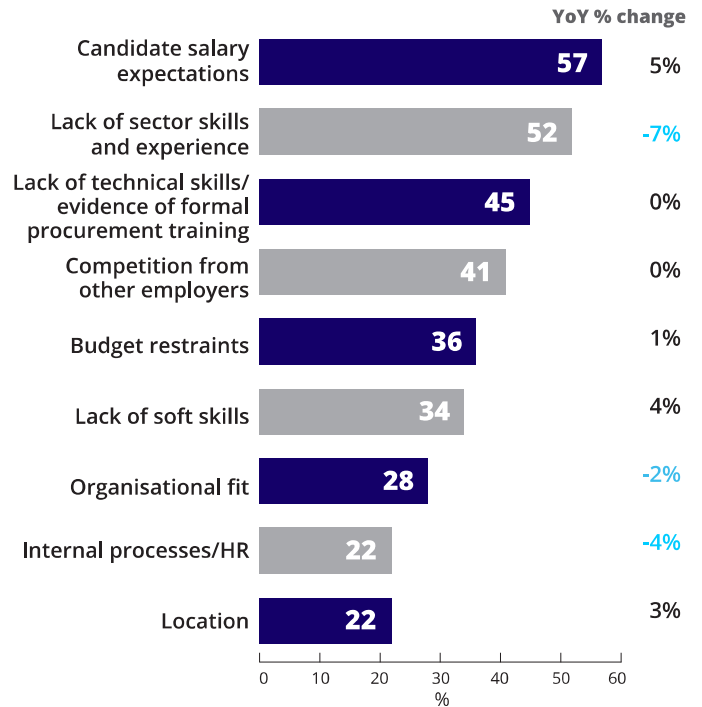


Public sector



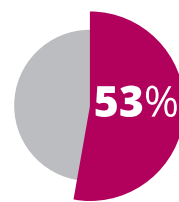
Charity/not-for-profit sector

Challenges in recruiting the right talent

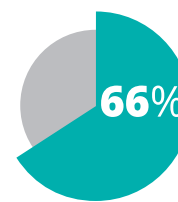


at new ways to compete. These include widening the recruitment net by improving their ED&I policies, upgrading and modernising their employee value proposition (EVP), and offering flexible working and options for compressed hours or four-day weeks.

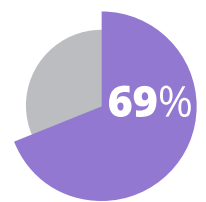
MCIPS (or studying towards) desirability when recruiting by sector



Private sector



Public sector

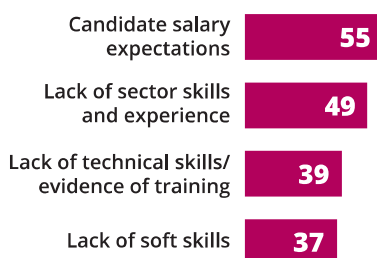


Charity/not-for-profit sector

Top challenges in recruiting the right talent by sector

Private sector

%



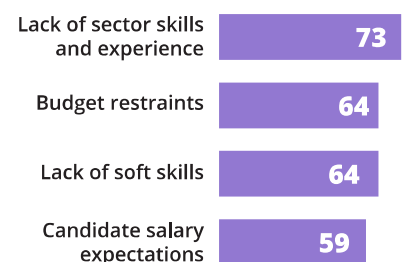
Public sector

%



Charity/not-for-profit sector

%



Skills in demand

An increasing demand for soft skills is a recurring theme this year. Technical skills are the foundation of the day-to-day execution of procurement activities, especially at the more junior levels. On top of these, it's the soft skills that allow professionals to ensure their activities align with broader organisational goals and objectives.

This extra focus on soft skills has partly been accelerated over recent years by remote working and online meetings becoming commonplace. Managers and leaders in particular need even better interpersonal and communication skills in order to get the most from their teams both internally and externally, and with suppliers. While negotiation is generally classed as a technical skill, the level of communication and body language required also make it a soft skill.

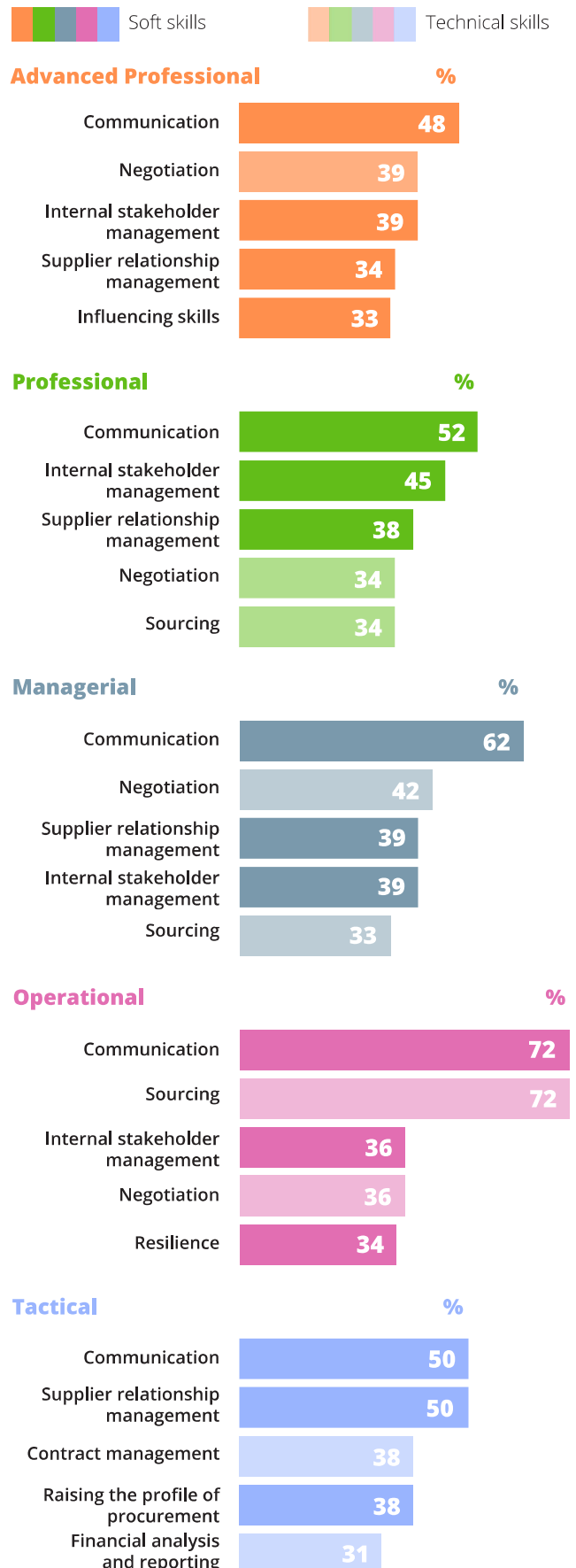
Soft skills are key for procurement professionals at every level, and those with excellent command of these are currently more highly sought after. That means employers like to see solid evidence that candidates have those necessary skills, as well as a commitment to expanding and improving them.

Employers now need to be more open-minded, take stock of the skills currently available, and consider what else is required to help them deliver on their objectives. For example, if your sole objective this year is around negotiation then you need a good communicator and influencer, if planning is involved you need someone with strong analytical skills, if it's a renewal of contracts and managing suppliers, you need a strong contract manager.

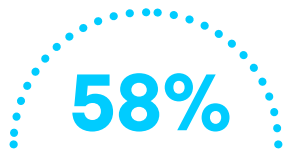
Focus on hiring for potential – when recruiting, keep on the lookout for professionals who demonstrate strong soft skills and try to show flexibility with those who do not necessarily have all the technical skills you would ideally like. In order to gain access to the most diverse pool of candidates possible, employers should challenge what is absolutely critical to success in the roles they are hiring for and take a more open, values-based approach to hiring.

Scott Dance, UK&I Procurement Engagement
Director, Hays

Skills in demand when hiring at different job levels



The value of MCIPS



58%
of employers request MCIPS (or studying towards) when recruiting (across all sectors and levels)

The cost-of-living crisis is cultivating something of a risk-averse environment, with professionals showing more reluctance to move roles. This is making it more of a challenge for organisations currently recruiting to find or encourage the people with the right skills they need to fill their vacancies.

In this climate, training and qualifications are of more value than ever. MCIPS is recognised and respected globally, and evidences practical skill and expertise that goes beyond the theory. This gives employers confidence that those with MCIPS can apply their knowledge and deliver results in a real-world context. That's why the majority of employers (58%) request candidates with MCIPS when recruiting.

It also shows that an organisation recognises higher standards and the benefits of professional excellence, sending out a strong message that will help attract potential candidates.

The demand for FCIPS is also evidence of increased employer recognition of the outstanding level of achievement, knowledge and experience that is required for those who hold this designation.

In a complex, fast-changing global landscape, talented, ethical and committed professionals are in high demand. Combining unrivalled knowledge and commitment, Chartered procurement and supply professionals are globally recognised, trusted and influential; organisations recognise that they can help drive and shape business success.

MCIPS: Enhance your career

Discover how this globally recognised standard offers significant career benefits

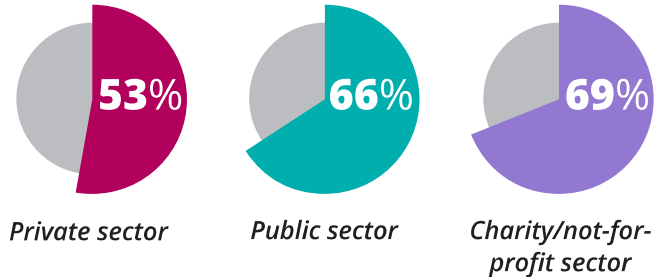
Chartered status

Globally recognised, trusted and influential – shaping business success

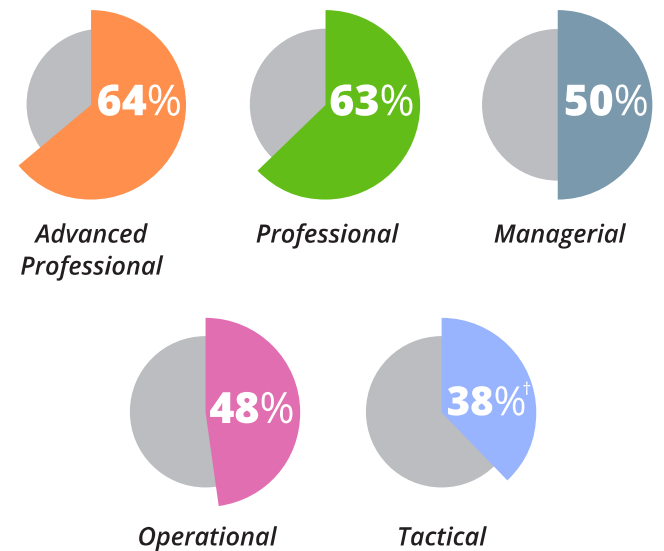
cips.org/salaryguide

Employers requesting MCIPS (or studying towards) when recruiting

By sector



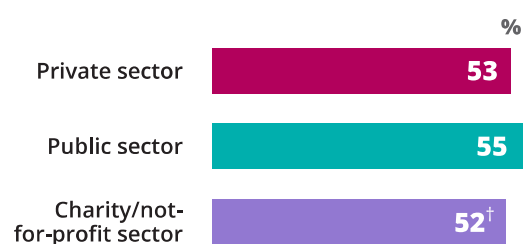
By job level



Chartered status desirability when recruiting by sector



FCIPS desirability when recruiting by sector



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



Given the uncertain economic landscape over the last year, organisations are having to work even harder to attract the procurement professionals that are the right fit for them. Fortunately, there are lots of ways they can do that, many of which their competitors might not yet have explored.

Embedding equality, diversity & inclusion (ED&I) at the core of an organisation is a way to broaden its appeal and reach a diverse pool of professionals, and using non-traditional channels to advertise

vacancies can attract candidates from under-represented groups. Adjusting the interview process and making use of employment networks is also a way of reaching a wider pool of talent. Organisations looking for more creative ways of communicating their EVP, particularly when recruiting entry-level talent, might benefit from the use of more engaging mediums such as videos and case studies.

Having a strong organisational purpose, clear pathways for career progression, a diverse and inclusive culture, and a defined commitment to sustainability are a few key ways to enhance an organisation's EVP for both current employees and future candidates. They make it clear to both an internal and external audience what the organisational objectives are – beyond profit – and how the business aims to have a positive impact on the wider community.

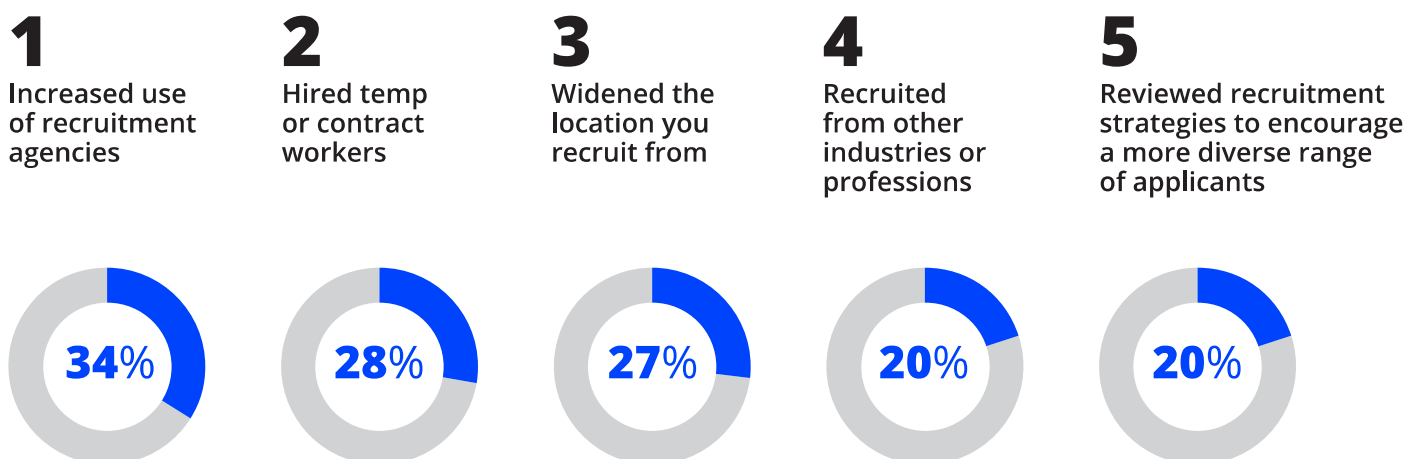
Transparency inside and outside the organisation also ensures that when a new employee starts work, their experience matches everything they were told along the way.



While salary is still the main driver of employee movement, other factors such as workplace flexibility, a commitment to sustainability and organisational purpose are increasingly taking centre stage. Professionals are looking for employers whose values match theirs, and organisations with self-defined social roles and clear vision statements will be the most likely to have success when hiring.

Scott Dance, UK&I Procurement Engagement Director, Hays

Top five actions taken to address skills shortages



CASE STUDY



'We're only human – but that's a good thing'

In the NHS a procurement team's targets can be literally a matter of life and death, says **Savita Mace, CPO, University Hospital Sussex NHS Trust**

Different organisations have different priorities. As a highly complex entity, the UK's NHS must live within its budget, respond rapidly to patients' needs, and improve the 'health of the nation' – that's the ultimate challenge and the key performance indicator. "If you get something wrong, maybe the wrong medical products show up and an operation has to be postponed, it can be catastrophic for a patient. We work in a high-risk environment," points out Mace.

These are very challenging times for the NHS, so we all need to identify where we can actually make a difference, she says: "You need to think what's in your power to change. We might feel that our organisation's marketing could be improved, but that's probably not in your remit in procurement. So, what can you realistically achieve?"

People are at the heart of Mace's management philosophy. So making the recruitment process less opaque and more attractive at University Hospital Sussex was one area she identified, but retention was potentially even more important. "When someone leaves it can cost three or four times an annual salary – paying for an interim, recruitment, training a new person and so on. Retention is therefore a key goal and a massive economic driver for me," she says.

"People work for people," states Mace. "They want to work for human beings they respect, not robots. What I can control is my credibility, my affiliations – to CIPS and to the universities – and who I am as a leader. Potential recruits look at the organisation, the job itself, and their prospective colleagues. They can be attracted to a role because they see the CPO as a positive and inclusive leader – somebody who will look after their career and make the job more creative and fun...so that's what I try to bring to the table."

The personal touch

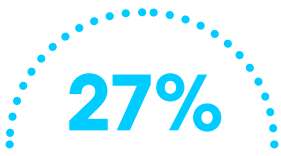
Help me join

"All of our recruitment packs go out with a customised and personally addressed letter from me. It says thank you for applying for this role, explains who I am as the CPO, and what we do here. We also have a one-page summary of the benefits of working for the NHS, and some high-level stats about us. So, when you apply for a role, it's not a generic link – every single person gets a customised approach."

Make me stay

"Being a visible leader is something I take very seriously. To get the best out of their teams, a good CPO must be able to surface and dive between all job levels and be flexible in their management approach. One of the biggest drivers for people leaving a job is a poor relationship with their manager. I firmly believe in personal and professional growth and the importance of those relationships, and I make sure all my line managers understand that too."

Employee movement plans



27%
of respondents expect to move role in the next 6-12 months

The proportion of procurement professionals expecting to move jobs has decreased this year; we saw a lot of movement over the last two years and people are still settling into their new roles. In addition, the current economic uncertainty has made people more reluctant to take a risk and go to a new employer.

However, by opening opportunities to everyone, regardless of socio-economic background, organisations can both demonstrate their inclusivity and gain access to the procurement skills they need. Often it takes only a few changes to the hiring process to make it more socially aware. For example, questioning whether a role really needs someone with a degree, or a certain amount of experience, or if potential is actually more important.

Actively seeking and engaging communities of diverse talent is key to creating opportunities for those who perceive that they may have unequal access to career progression.

Organisations can help future-proof themselves by looking at what sort of skills they might require in, say, three years' time, and using that as a basis for upskilling their employees, particularly newer entrants to the workforce.

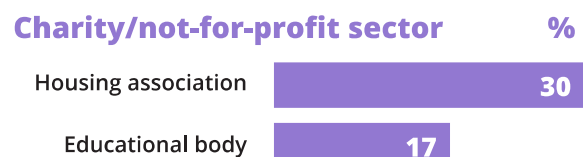
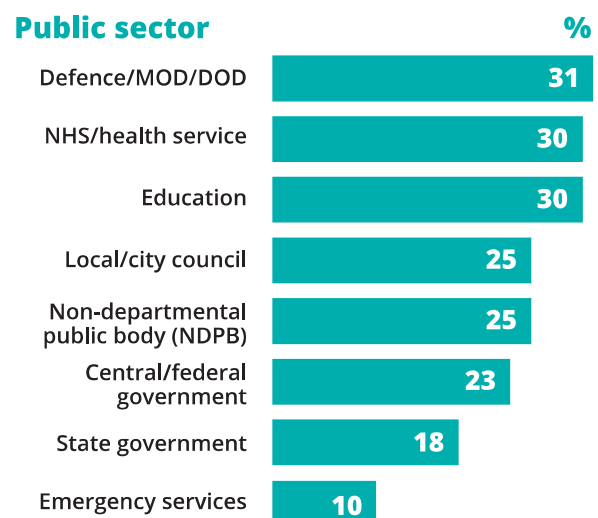
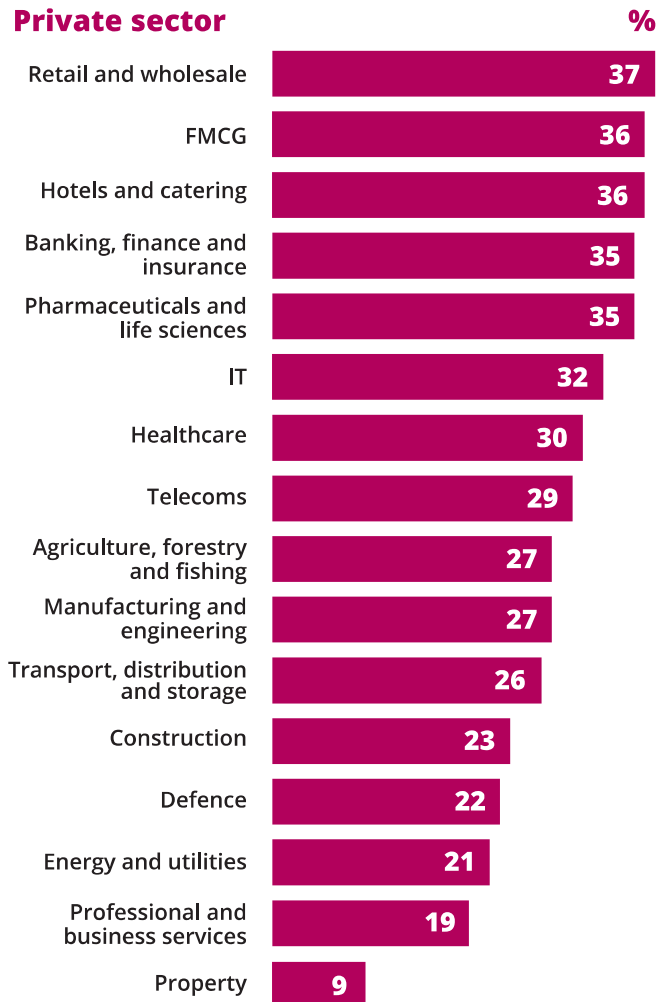
Opening up opportunities to a broader range of candidates and hiring for potential, rather than experience, is a way of gaining access to much-needed skills – particularly at a more junior level. Building out a sustainable talent pipeline will be critical for organisations looking to future-proof their workforce in the coming years.

Scott Dance, UK&I Procurement Engagement
Director, Hays

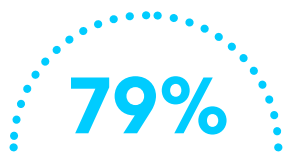


WATCH: What practical things can organisations do to build out talent pipelines?

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



Factors driving employee movement



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

Salary is still the most important factor when it comes to persuading a procurement professional to switch jobs. However, in the current economic climate, it can be unrealistic to expect prospective employers simply to offer a candidate more money. There are currently far more vacancies than suitable candidates, and organisations are having to rethink their attraction and retention strategies as a result.

Flexibility as an employer remains crucial, both with regards to location and working hours, and we have seen many high-profile organisations take the lead when it comes to flexible practices. The focus now will be on how – within the dimensions of their business – employers can create a culture that welcomes and supports a wealth of different personal circumstances. This will enable access to a broader talent pool, making it easier for organisations to secure the people they need.

Another trend we are currently seeing increased discussion around – especially in the national press – is the four-day working week and the success of last year's trial* of 70 organisations in the UK. It's likely that the focus may start to become not so much on time spent at desks but on output and productivity. By beginning to think about how this approach can be integrated even incrementally, organisations can potentially gain a real edge when it comes to attracting candidates.

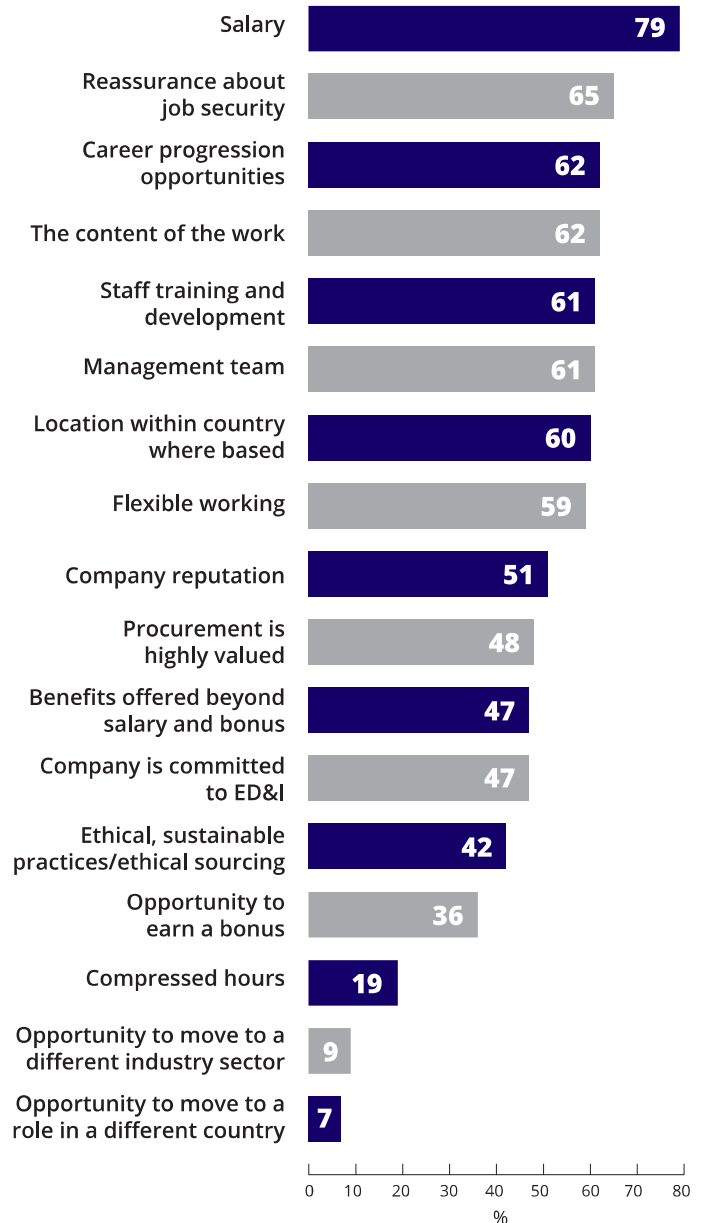
Whether the procurement sector – and indeed the world of work at large – is getting closer to a four-day week becoming common practice is debatable, but it's certainly hard to deny that the conversation around it is gaining traction.

Scott Dance, UK&I Procurement Engagement Director, Hays

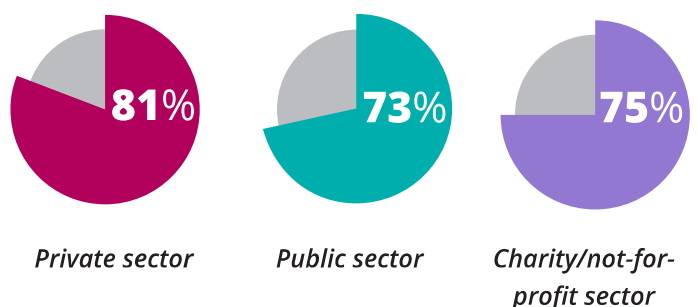


*SOURCE: *Financial Times* online article on last year's six-month trial involving 70 organisations UK companies trial four-day working week with same pay

Most important factor when considering a new job



Importance of salary by sector



Factors driving employee movement continued

Salary is the biggest factor driving employee movement at every level other than Tactical, where career progression opportunities top the list. People starting out in their career want to see a clear route for advancement and to know that they are not going to get stuck somewhere on the ladder. They generally prefer to be able to see how they can move into more senior roles without having to keep moving to a different organisation. Diversity at every level is important too, as it helps people from a range of backgrounds visualise themselves in senior positions, making those roles seem more attainable.


While factors such as training and career progression are obviously still important at every level, they become less

front-of-mind with increased seniority, in some cases just because that route is already clearer. A commitment to ED&I is important at all levels, but nowhere more so than for those seeking to get their first foot on the ladder. A workplace that has diversity in views and experiences will not only translate into ideas, solutions and revenue, but also help create the leaders we need in the future.

It's important for organisations to regularly re-evaluate the skills and experience needed from the right hire and demonstrate flexibility – if a list of compulsory learned technical skills is too prescriptive, organisations may find themselves with a more homogenous workforce and risk creating a limited approach to problem-solving.

The top-five factors at Tactical level, vs other levels

	Tactical %	Operational %	Managerial %	Professional %	Advanced Professional %
Career progression	88	70	70	56	44
Salary	79	80	81	78	74
Training and development	72	73	73	56	49
Job security	71	70	70	61	51
ED&I	59	51	51	43	46

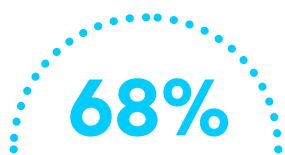
 **Securing a new employee is only half the battle – retaining them requires just as much effort. That's why providing visibility on progression opportunities is crucial from day one – if people can see their next step and know how to get there, they're much more likely to remain committed to your organisation and its purpose.**

Scott Dance, UK&I Procurement Engagement
Director, Hays



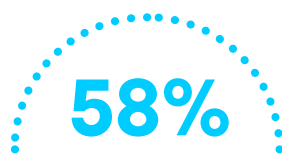
WATCH: *What can organisations do to improve employee retention?*

Employee movement plans: by gender



68%
of women are motivated by a company's commitment to staff training and development

Women are significantly more likely than men to find a variety of factors important when looking for a new job, including a commitment to ED&I, location, benefits, training and an organisation's flexible working policy. They are also more focused than men on career progression and training and development, reflecting the general and continuing need



58%
of men rate career progression as very important – above training and development

for an intersectional analysis and promotion of equal opportunities.

By ensuring transparency at all levels of the organisation, employers can make sure that prospective candidates have all the information they need in order to give the best account of themselves when they apply for a role. Capturing and reviewing key

data metrics – including workforce demographics and hiring, progression and attrition rates – will help to identify where strategies are needed for closing pay gaps or gender imbalance across the different levels. These might include reskilling and reintegration opportunities or strengthening female leadership in underrepresented areas.

A good ED&I policy will also mean that, for example, interview panels are diverse and a fair reflection of the make-up of the whole population. Applicants need to see people who look like they do represented, as a real-world demonstration of the company's commitment. When barriers are removed and the process is made open to all, it makes a positive difference to applications, onboarding, career progression and retention.

Creating an effective ED&I policy starts with looking at your business and tackling whatever those barriers to equal opportunity are. Even the way a job description is written can put people off applying and remove whole bands of the spectrum from the process.

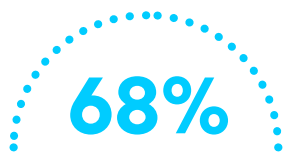
Seeking the involvement of strategic community groups, recruitment partners or agencies is a practical way of reaching a wider audience and proactively engaging a more diverse selection of credible candidates.

Scott Dance, UK&I Procurement Engagement Director, Hays

Importance of different job factors by gender



Employee movement plans: by age



68%
of respondents under 35 are attracted to a company committed to training and development

Salary is the factor most likely to drive employee movement at every age group – a change from last year when those at 45+ were more concerned with the content of their work, and 55+ with their management team. As has been mentioned before, global

economic uncertainty and the cost-of-living crisis have made finances a bigger concern for most people.

By offering a comprehensive training package, companies not only have the opportunity to progress their current employees into more senior roles, but can also create a great story to tell when recruiting, giving them an edge over the competition.

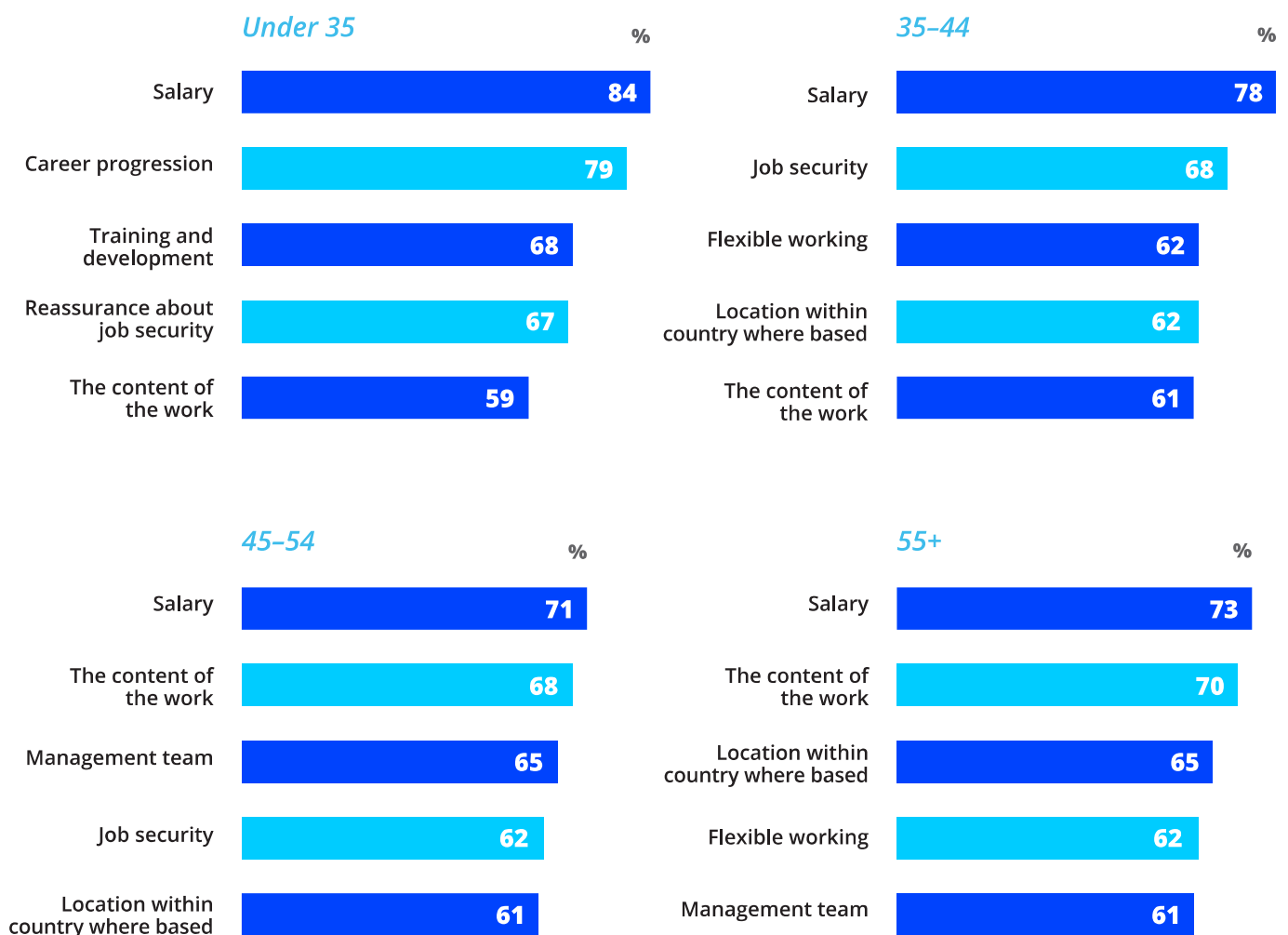
How to retain talent of all ages

When looking for new opportunities, people want to be sure of a company's commitment to its staff. Video

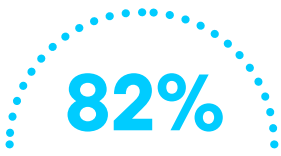
interviews with employees who have progressed upward within the organisation over a number of years can act as useful case studies and provide the sort of reassurance people are looking for.

Self-evidently, it's more cost-effective for organisations to train and upskill their own people than to recruit for those skills externally. In covering those training costs and offering study leave to professionals looking to improve their abilities, there are great rewards to be had.

Top five important job factors when considering moving by age



Employee movement plans: by industry

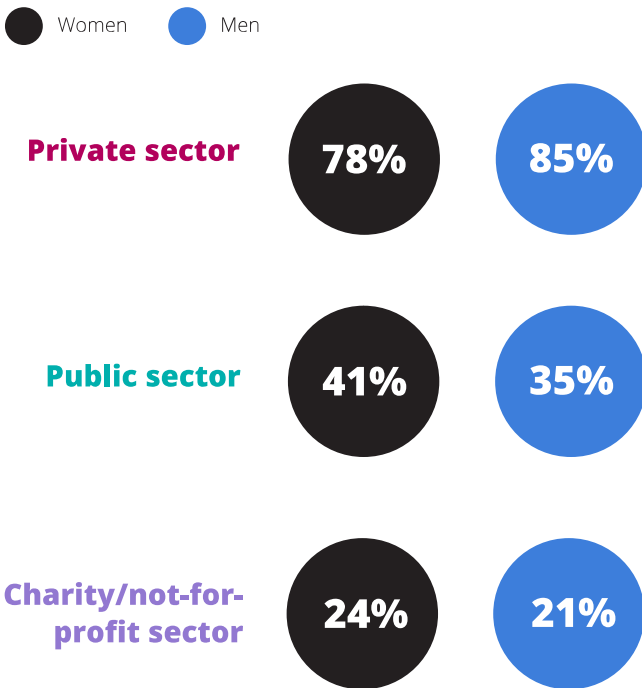


would look for a new role in the private sector

Both men and women are more likely to consider a new role in the private sector than the public sector or the charity/not-for-profit sector, with men more likely than women. Women are more likely than men to consider a role in the public and charity/not-for-profit sectors.

Organisations in the public sector and charity/not-for-profit sector tend not to be able to provide salaries that are as competitive as those in the private sector. With a greater proportion of people prioritising salary this year, organisations within the public sector are having to work

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

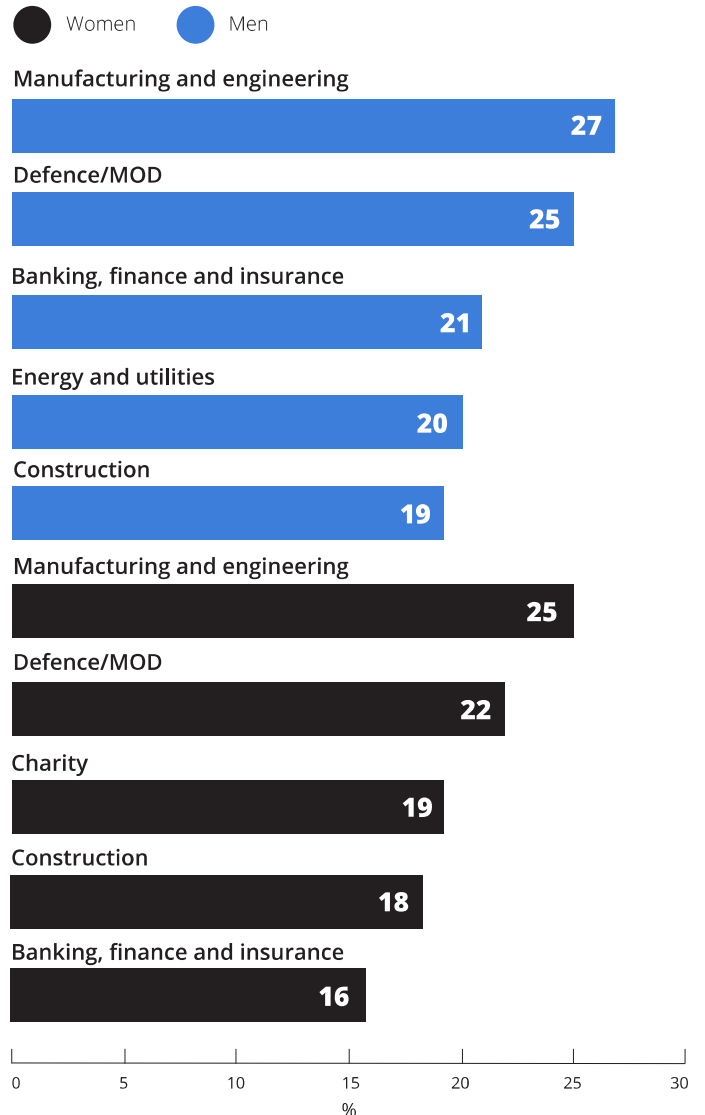


even harder to demonstrate the value of the jobs they have to offer. In the current climate, changing the way they recruit can make a huge difference.

That might include finding new ways to tell the story of what they do and exploring new channels to advertise and market themselves, thereby widening the net for applications. To manage this transition it can be helpful to work with an external recruitment partner.

For public sector organisations that are directly involved in helping people, for example, putting that narrative at the heart of their EVP can be crucial for appealing to the right candidates. In the private sector too, organisations need to look hard at what makes them special, both in terms of what they do and in how they look after their employees, and bring that story to life.

Top five industries respondents would consider working in by gender



Reasons for staying put

40%

of respondents said retaining their current work-life balance is a reason to stay in their jobs

The biggest reasons for professionals to stay put in their current role this year are, once again: because they enjoy their current work-life balance and they enjoy what they are doing. The next most-stated reason, though – that they need more training in order to step up – presents a great opportunity to employers.

Employers should be prioritising the reskilling and upskilling of existing staff.

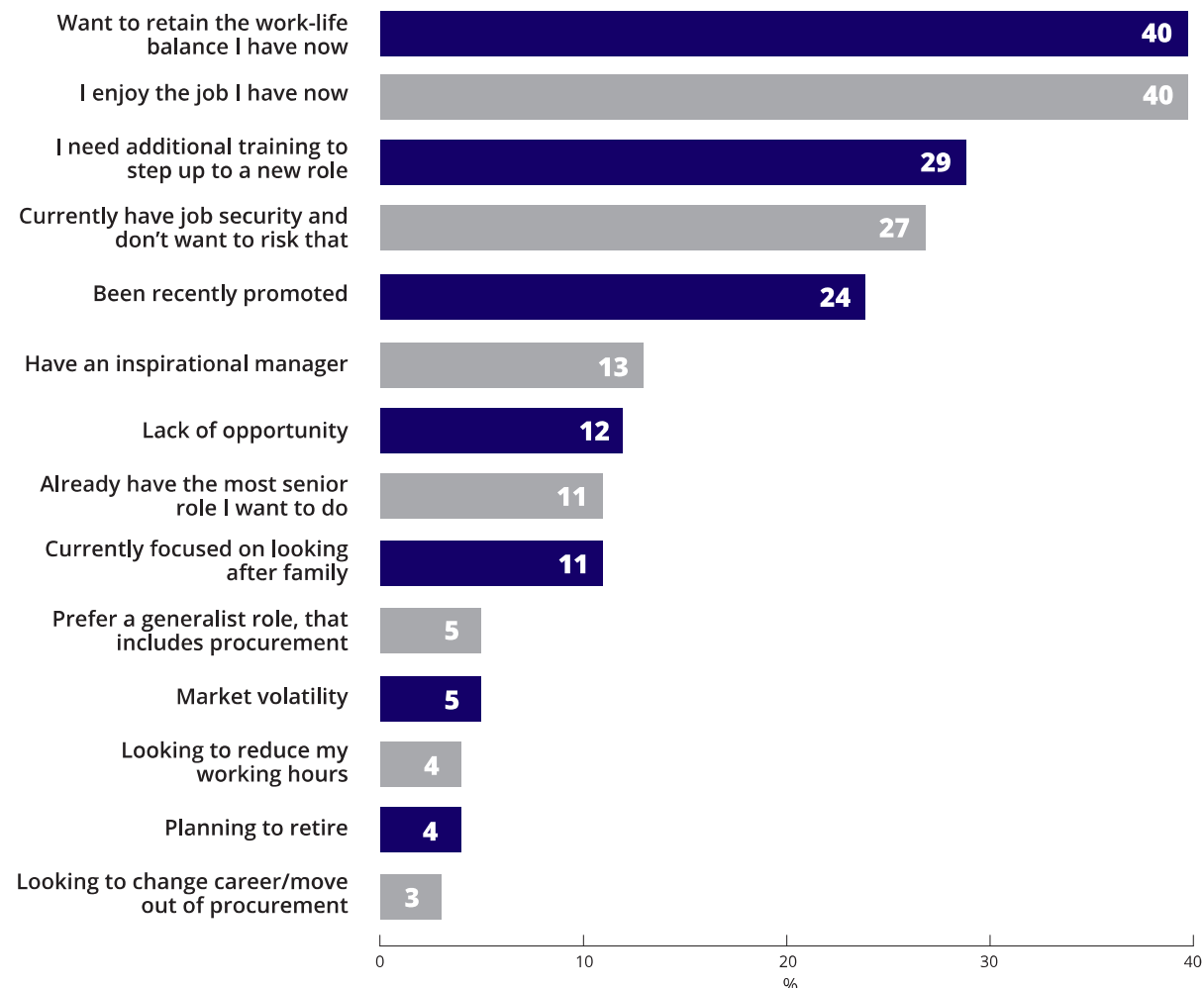
Many skills can be taught and learned while on the job, and having an open mind as to what skills or experiences are truly essential could be a game-changer for hiring managers. By casting the net a little wider, they could bring a highly engaged, dynamic individual on board who can pick up skills very quickly – something many companies have done successfully in recent months.

People are more reluctant to move during the current uncertainties. While training as a box-ticking exercise could risk just giving an employee the skills they need to move on, coupling it with a clear plan for career progression could make them much more likely to stay, absorbing into the organisation the value that has been created.

The fast-moving nature of the procurement function means skill requirements are constantly evolving. Proactively offering your existing employees development opportunities – particularly certified training – not only makes their loyalty to your organisation more assured, but provides you with access to a future-proof pipeline of much-needed skills.

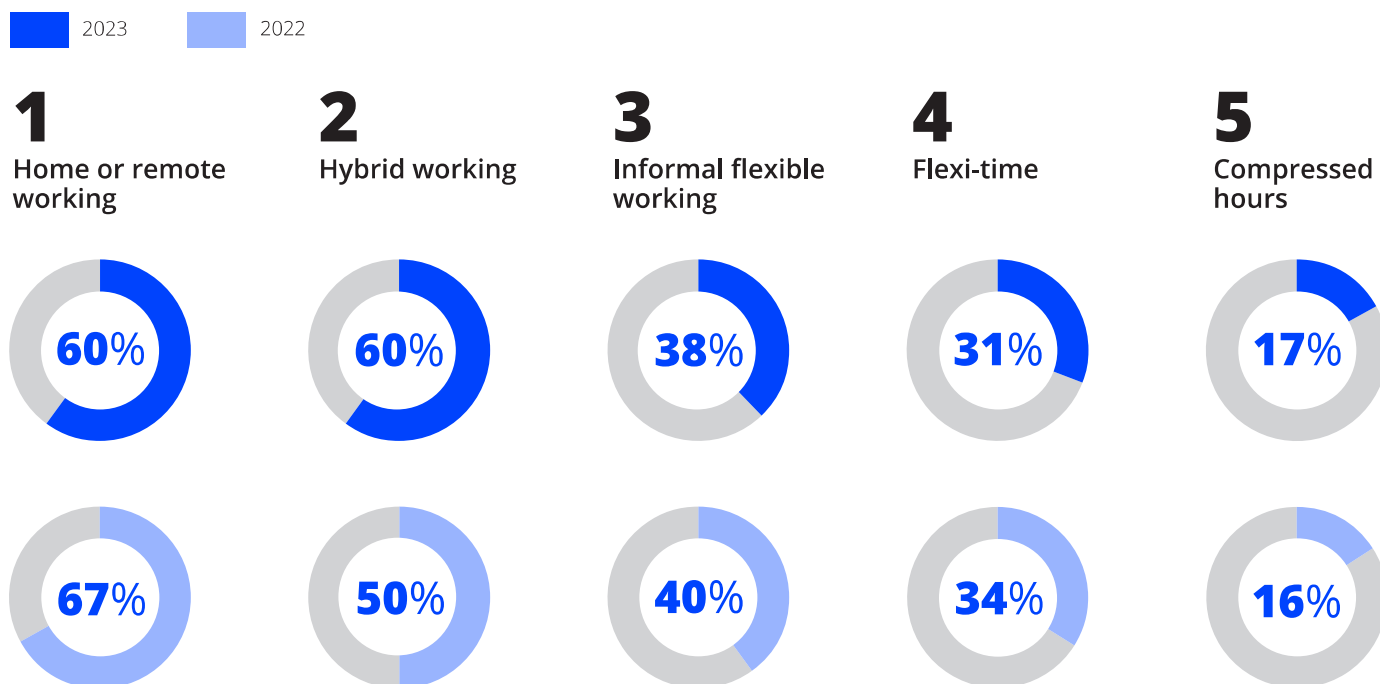
Scott Dance, UK&I Procurement Engagement Director, Hays

Reasons for not changing job



Reasons for staying put continued

Top five flexible working arrangements offered



For many people now, work is a thing, not a place, and true flexibility is a job that they can work around the various responsibilities and practicalities of their lives. Getting the job done is increasingly seen as the important factor, rather than how long it took – people tend to place value on tasks over time, and are open to finding creative ways of facilitating a good work-life balance.

Whatever the solution – whether it's compressed hours, flexi-time or term-time shifts – the most forward-thinking organisations will be considering how their roles and functions can be appropriately served by employees who are working in a flexible way. More can be done to allow people real freedom to work the hours they want, and offer them full autonomy.

Giving workers the option to work one or two days from home, or enabling them to vary their working hours, can not only improve work-life balance for employees, it can also broaden the range of talent available.

Organisations might consider opportunities to facilitate childcare responsibilities, for example – incorporating school drop-off and pick-up into the day. Or they might introduce something as simple as the freedom to take time out of the day to exercise or meditate.

Relatively small factors can make a huge difference to people's motivation, wellbeing and mental health. In the end, organisations that are able to offer what people want are the ones that are going to be the most competitive.

A four-day working week is attractive to 86% of respondents to our survey, and women are significantly more likely than men to be attracted to compressed hours (90% vs 82%).

The results of a recent study* on the four-day week by Hays were also very positive.

For example:
93% think the four-day week is a good idea
59% think it would positively impact productivity
64% would be tempted to move jobs if a four-day week was being offered
46% think the four-day week will become a reality in the next five years



***STUDY: Are we getting closer to a four-day working week?**
 Survey of 11,000 professionals and employers conducted by Hays in February 2023

CASE STUDY



How companies can attract the best talent, and keep it

As the winner of the CIPS Excellence in Procurement 2022 Young Talent Award, **Deutsche Post DHL Senior Sourcing Manager Niklas Ring** is well placed to explain how a company can attract the best people, and keep them

The award reflected Niklas's focus on sustainability, moving DPDHL's ground fleet over to electric vehicles; so just how important is it to him to work somewhere with particular values?

"It really does make an impact," he says, "because it connects the dots to being proud of what you're doing in your work life. If the company has an attitude that fits with your own beliefs, it gives you better balance."

"How the company is perceived by applicants is really important," he continues. "Maybe parcel deliveries is not a 'sexy' topic for everybody – so they have to concentrate on what makes them special. How a company presents itself, on social media for example, is becoming more and more important."

So what attracted him to work at DPDHL initially? "It's a company with really good options for finding your personal path professionally. There are a lot of areas you can focus on and so many opportunities."

What is it about procurement in particular that he finds appealing? "I really like collaborating with internal colleagues to find out what we need," he explains, "plus negotiating with suppliers or external companies to get exactly those things that have been identified. It's a key position within the company, to make sure you're set up in a good way."

"Procurement has really evolved from just buying and negotiating, to becoming an internal consultant for the business units."

What can make people stay at a company?

A great boss

There needs to be good appreciation of what you do and a culture where feedback is listened to. Your boss plays a big role, and if you don't get on with them then everything else becomes difficult.

Being part of a team

A good team is very important. Not a lot of people want to be lone rangers; they need to feel that there is a community they can talk with and get experience from.

Financial flexibility

Thinking about inflation and so on, it's important that there can be room for manoeuvre salary-wise.

A chance to advance

You need to feel there are opportunities for you to climb the ladder, and it's not a dead end.

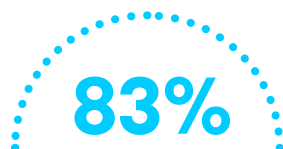
ED&I: Unlocking potential in the workplace

Creating equality, diversity and inclusion in the workplace is not only a moral imperative, it makes good business sense too – increasing innovation, creativity and productivity and improving the bottom line.

A large majority of procurement professionals (83%) agree that their organisation is serious about enabling a diverse and inclusive workplace culture. The greater digital freedom we have all experienced over the last few years makes it easier than ever for organisations to take steps to walk the talk, and build an authentic inclusion strategy that delivers business value.

The world of work has opened up. That's not just a reflection of the end of pandemic restrictions; out of those difficult times have come new opportunities and possibilities – as we have all become so much more comfortable with meeting online and working from home.

There is a tangible and compelling



believe a diverse and inclusive workplace culture is important to their organisation

business case for embedding ED&I at the heart of an organisation: studies* show it leads to increased job satisfaction and improved creativity, innovation and decision-making, leading to better performance.

Many organisations have been taking great strides in the way they pay attention to characteristics that include race, age, gender, neurodiversity, disability and sexual orientation, and how they can combine in unique ways when it comes to perceived disadvantage and discrimination.

It's still common, though, for diversity efforts to focus on distinct, singular characteristics – gender or race, for example – but any number of these categories can overlap. Taking an intersectional approach instead, and recognising that every employee experience is unique, presents an opportunity to benefit from a wealth of differences – building stronger and more unified businesses.

Every single person deserves to feel completely comfortable being their authentic self at work, just as much as at home. An authentic approach to ED&I builds trust and opens up better communication, creating a positive work environment that empowers people to reach their full potential and produce their best work.



The most successful organisations around diverse procurement will be those that have the most inclusive culture. The most diverse teams will be the most effective teams, because they have more knowledge, more empathy and more engagement. Inclusive hiring means getting potential and talent into the business, but also you'll start recognising some of the barriers within an organisation to allowing that talent through the doors. You'll be really surprised about some of the barriers you weren't aware of. There are some huge opportunities within this area to really excel!

Julian John,
CEO Delsion Ltd



WATCH: Making inclusion strategies stick

Hear from Julian on the CIPS webinar discussing ED&I and high-performing teams



***READ: McKinsey and Company report**

Diversity wins: How inclusion matters, May 2020

Diverse and inclusive hiring practices by sector

76%

say their organisation is proactive in making an impact on ED&I across all sectors

73%

of companies mandate training around inclusive hiring across all sectors

It's heartening to see that more than three-quarters (76%) of the procurement professionals surveyed said the organisation where they work is proactive in making an impact on ED&I. While progress has been made to promote greater ED&I in the workplace, there are still many challenges to overcome and disparities to address.

Achieving greater ED&I requires ongoing effort and commitment from individuals, organisations, and society as a whole.

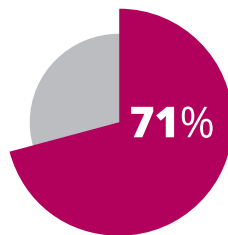
While most people would agree there are many benefits to a diverse and inclusive workplace that offers equality of opportunity, a lack of awareness and unconscious bias are major challenges to making it happen. If people don't know something exists or can't see it, how can it be overcome?

Level playing field

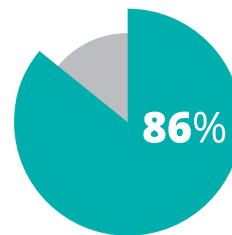
That's why mandating training in those areas can make a big difference – having people live and

Organisation is proactive in making an impact on ED&I by sector

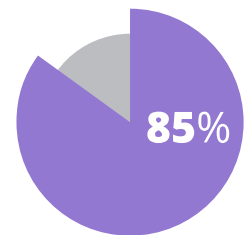
Private sector



Public sector

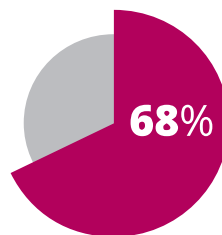


Charity/not-for-profit sector

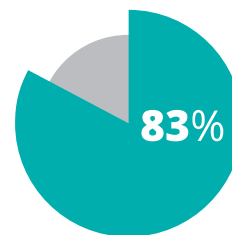


Company mandates training around inclusive hiring by sector

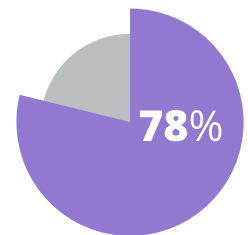
Private sector



Public sector



Charity/not-for-profit sector



breathe the values and commit to progressing to a genuinely inclusive workplace – and offering the training to everyone creates a more level playing field.

For those responsible for hiring, training around inclusivity helps ensure that decisions are based on merit only, and not on any characteristics that sit outside the assessment criteria. It's important to review the process regularly in tandem with the collection of diversity data, to check whether it is having the desired effect. For example, is the policy translating into a more diverse range of hires from groups that are traditionally under-represented?



Anonymising CVs by removing the person's name can be a useful way of limiting unconscious bias, particularly with regards to age, gender and race. You could also consider excluding 'cues' that might create preconceptions, such as hobbies and interests or schools and universities attended.

Scott Dance, UK&I Procurement Engagement Director, Hays

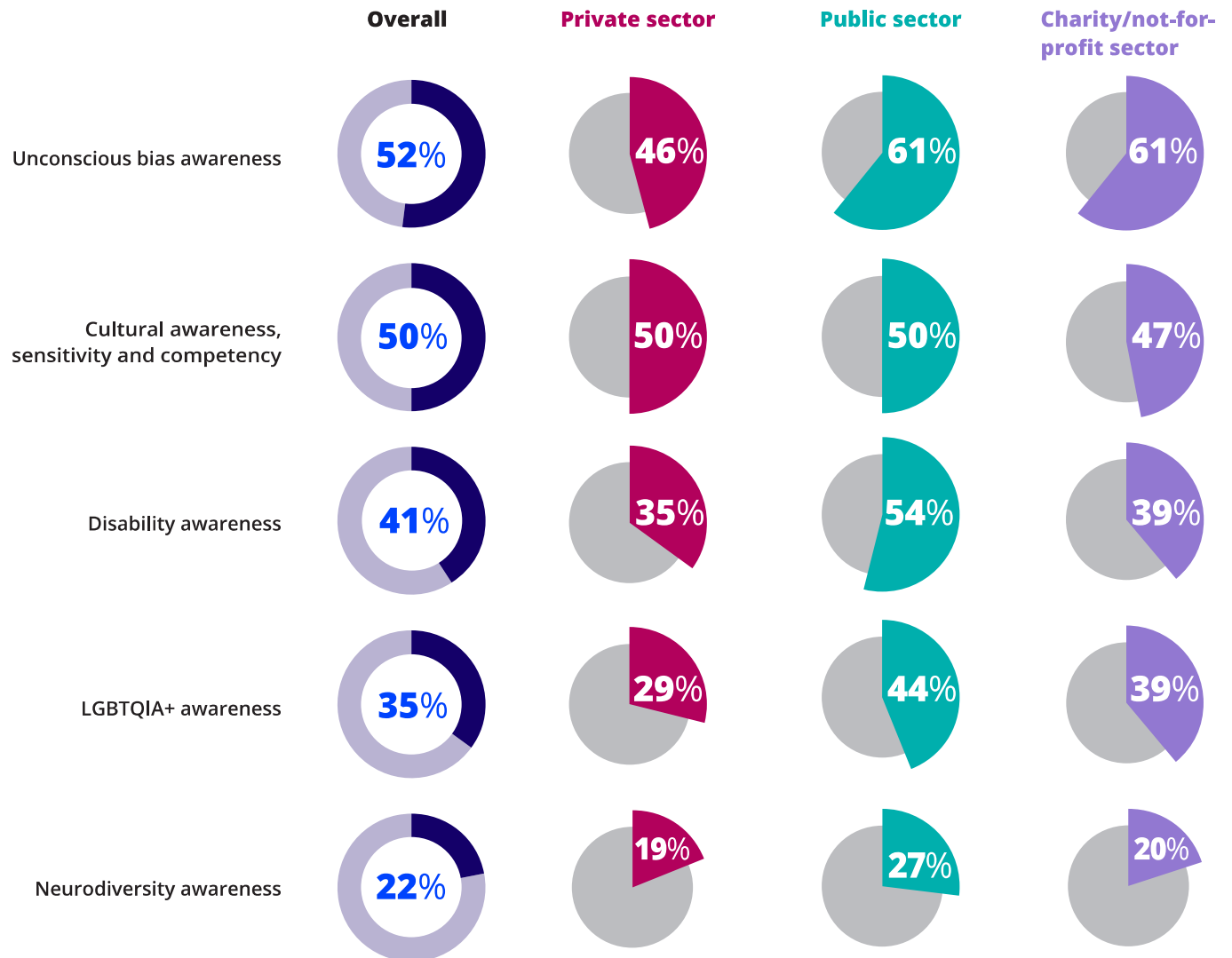
Diverse and inclusive hiring practices by sector continued

Organisations in the public sector in particular see the value of ED&I initiatives, with 83% of organisations mandating training. The public sector is leading the way in mandating training in all areas identified in our survey that

promote inclusive hiring, but more still needs to be done everywhere. As well as mandating more training around inclusive hiring, organisations can also proactively drive positive

change by moving away from unconscious bias and towards conscious inclusion, turning knowledge and understanding into action.

Mandated training around inclusive hiring



VISIT: CIPS ED&I hub

Promoting, supporting and encouraging ED&I within procurement

Practices to support diverse and inclusive hiring

46%
use unbiased language to describe vacancies, organisations and culture (across all sectors)

Demonstrating a commitment to ED&I is about much more than good intentions, great though those are. It's worth noting the gap between the percentages of those adopting supportive practices shown in the chart, and the 83% who say it's important to their organisation.

Effecting such a major and widespread cultural shift doesn't happen instantly,

and is best looked at as an ongoing journey for the organisation – and potentially its whole supplier network too. That journey begins by taking stock of how things currently stand and identifying any barriers to ED&I, before working out how to remove them and setting targets to measure progress.

Unbiased language is a crucial factor in that process, and the public sector is leading the way, with 53% saying their organisation uses it, compared to 46% across all sectors. It's vital that those writing the ads or creating content for attracting potential employees understand the importance of using unbiased language, and have the necessary linguistic training. With agile working methods taking

centre stage for the foreseeable future, offering remote roles and being flexible on a candidate's location opens up access to a much wider pool of talent, including those who might find it difficult to commute to a traditional office.

Furthermore, to encourage people from diverse backgrounds to apply for roles, it's important that diversity is reflected in imagery and branding. This will help applicants from potentially under-represented backgrounds visualise themselves working at that organisation and makes it more likely they'll apply. It's crucial, though, that this goes beyond being just a policy and is reflected in genuine representation at all levels across the organisation.

Practices to support diverse and inclusive hiring by sector

	Private sector %	Public sector %	Charity/not-for-profit sector %
Using unbiased language to describe vacancies, organisation and culture	42	53	45
Providing training for hiring managers to reduce unconscious bias when hiring	35	53	51
Offering remote working roles to access more diverse talent in other geographical locations	30	41	24
Ensuring that imagery and branding in our recruitment material reflects a diverse workforce	28	34	41
Ensuring diverse interview panels	23	46	39
Reducing bias in recruitment by anonymising/not using CVs and applying processes to ensure fair interviews	21	47	29
Implementing diversity recruitment targets	18	20	16
Analysing job application data to understand which advertising channels produce a diverse mix of applicants	14	18	16
Advertising on recruiting platforms that cater to underrepresented groups/communities	13	19	14
Setting diversity targets for the recruitment agencies	11	12	12

Recommendations for diverse and inclusive hiring

Just adopting a few small changes can make a big difference to the hiring practices of any organisation. These are some good places to start...

Use unbiased language when writing job descriptions

The way job descriptions are written can say a lot about an organisation. To attract the widest possible pool of talent, they need to be inclusive and welcoming to people from diverse backgrounds. For example, care must be taken to avoid using language that is gendered or exclusive, focusing on the skills and qualifications that are necessary for the role.

Highlight diversity and inclusion efforts

As well as making efforts to be diverse and inclusive, it makes sense to let people know about it. Using social media and their own website to showcase the action they have taken helps organisations attract people from diverse backgrounds who are looking for a workplace that shares their values.

Use diverse interview panels

Authenticity and transparency are vital, otherwise candidates will conclude that it's all talk. To that end, it's important that interview panels are diverse and include people from different backgrounds. Not only does it make an organisation's ED&I more credible, it helps ensure that the selection process is inclusive and candidates are assessed fairly.

Partner with diverse organisations

Working together with other organisations that are recognised for their work in the area can help build relationships with people from diverse backgrounds and showcase a commitment to creating an inclusive workplace. This could be as simple as attending their events and conferences, or could involve collaborating on projects, for example.

Offer opportunities for training and development

As well as offering or even mandating training and development designed to drive diversity and inclusion, organisations should also ensure other training opportunities are accessible to people from diverse backgrounds. This demonstrates a commitment to creating an inclusive workplace and can help to attract and retain a diverse range of candidates.

Challenge role requirements


In many cases job descriptions and roles are historical and don't necessarily reflect what is actually needed right now. Organisations that challenge these can clear the path for talented candidates who would otherwise not have been considered. For example: can they hire for potential rather than experience? Are the technical skills listed all essential? Can they be flexible on location? Does the candidate need a degree?

Proactively engage with communities of diverse talent

There are positive benefits for organisations that invest time and resources into creating real opportunities for those who have experienced inequality, and barriers blocking the path to career progression. This investment of time also builds trust. By walking the talk they demonstrate a genuine commitment to creating a bias-free recruitment process.

Adopt blind hiring practices

By adopting practices such as removing candidates' names and demographic information from the CVs of job applicants, the potential for unconscious bias can be dramatically reduced or eradicated. This not only makes the process fairer, it also increases the likelihood of creating a diverse candidate pool.*

 **With recruitment, there's a real positive impact where inclusion can be measured time and time again. Candidate generation, the process, people staying within the business, people developed within the business. We just need to have a wider lens on it. We need to consider inclusion right at the start of these processes... It's like lighting the blue touch paper on a firework, the impact of some of this stuff.**

Julian John,
CEO Delsion Ltd



***WATCH: Adopting blind hiring practices**
Hear from the panel at CIPS Procurement Futures 2023

Interims

For organisations, interims can provide not only instant access to the exact expertise and experience needed for a new project, but additional resource to already-stretched teams. For procurement professionals interim work offers flexibility and variety, and a chance to apply themselves to a new set of challenges.

For many, becoming an interim is an excellent opportunity to explore working in different environments and broaden their experience, take stock of where they are in their career, or simply to try something new.

The day rates of our interim survey respondents this year are lower, though they remain at a higher level than in 2021 and still represent a substantial sum. Earnings for interims tend to be higher than the equivalent wage for permanent employees, though this also reflects the more precarious nature of their employment, and the fact that they receive fewer benefits beyond pay.


£521
is the overall average
interim day rate

During this period of economic uncertainty, organisations are being more cautious with their spending. Budget restraints are one of the top three **challenges** for procurement this year, according to our survey respondents. As they look to offset rising external costs, the day rates organisations pay to interims have come under greater pressure.

The key attraction to working in an interim capacity is the flexibility it

can offer – once again this year that was the top reason given for seeking interim work, with over a quarter of respondents (27%) citing it. However, redundancy is seen as a bigger driver this year, overtaking pay as a reason for becoming an interim.

The time span over which a procurement professional typically has been engaged in interim work is quite evenly spread – 42% have worked in an interim capacity for less than two years, 25% for two to six years, and the remaining 33% for six or more years. It's very rare for any one contract to last longer than a year – 49% said theirs was for up to six months, and 50% for six months to a year.

 **Interim procurement professionals usually have the dual merits of being both extremely experienced and highly skilled. Generally relied upon to deliver a more senior perspective, the work tends to suit highly adaptable individuals, particularly those brought in to deliver complex change projects.**

Scott Dance, UK&I Procurement Engagement Director, Hays

Interims by role



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

In spite of the skills shortages mentioned earlier in this guide, these aren't the key reason for organisations to hire interims, according to our survey. Organisations are seeking permanent staff to fill those gaps. The main reasons for using interims are to cover a more general need for additional resources or to work on a particular project.

In the private sector, there have been some noticeable changes to why an interim has been hired, with 33% of respondents giving a project as the reason, compared with 22% in 2022. According to Hays, these have tended to centre chiefly around mergers and acquisitions, greenfield, supplier rationalisation or category strategies. Meanwhile, significantly fewer say it was to provide additional resources – 43% compared with 55% last year.

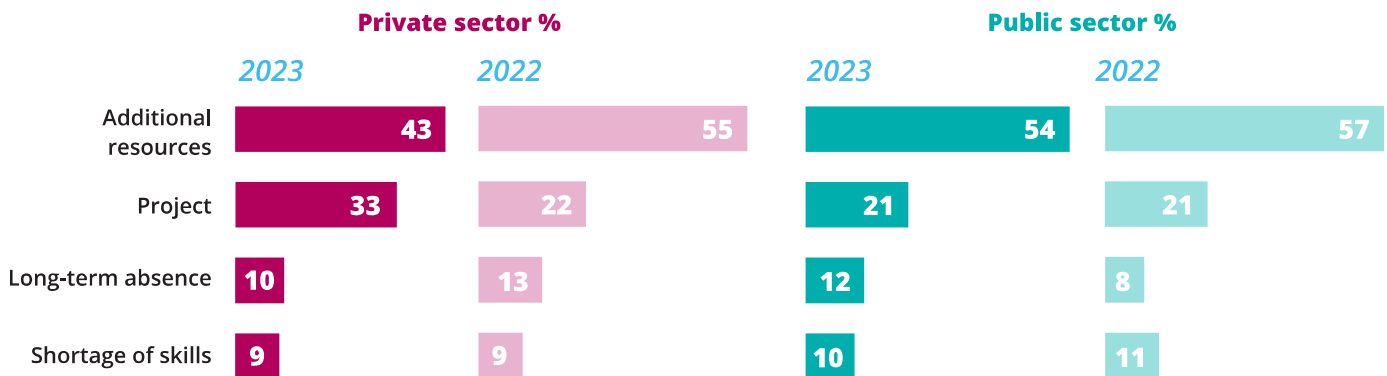
The current economic uncertainty has created additional pressure on organisations to establish a clear business case for making the hire and assign those charges to a specific

project cost centre. Hiring interims on fixed-term contracts for projects also makes costs easier to control compared with increasing the headcount of the business.

Interim hiring also makes it possible to apply a procurement professional with exactly the required amount of experience to that particular area. According to our survey, interims have typically been working in procurement for nine years or more.

In the public sector, the use of interims to cover long-term absences has increased this year, while in the private sector, it has decreased.

The reasons for hiring interims



Ensuring transformation projects don't fall behind schedule is of critical importance to organisations, particularly those in the private sector. The ongoing challenge of sourcing permanent professionals with the right blend of skills to deliver these is therefore continuing to create demand for interim staff, particularly those with a more specialist outlook.

Scott Dance, UK&I Procurement Engagement Director, Hays

Interims: duration and project types



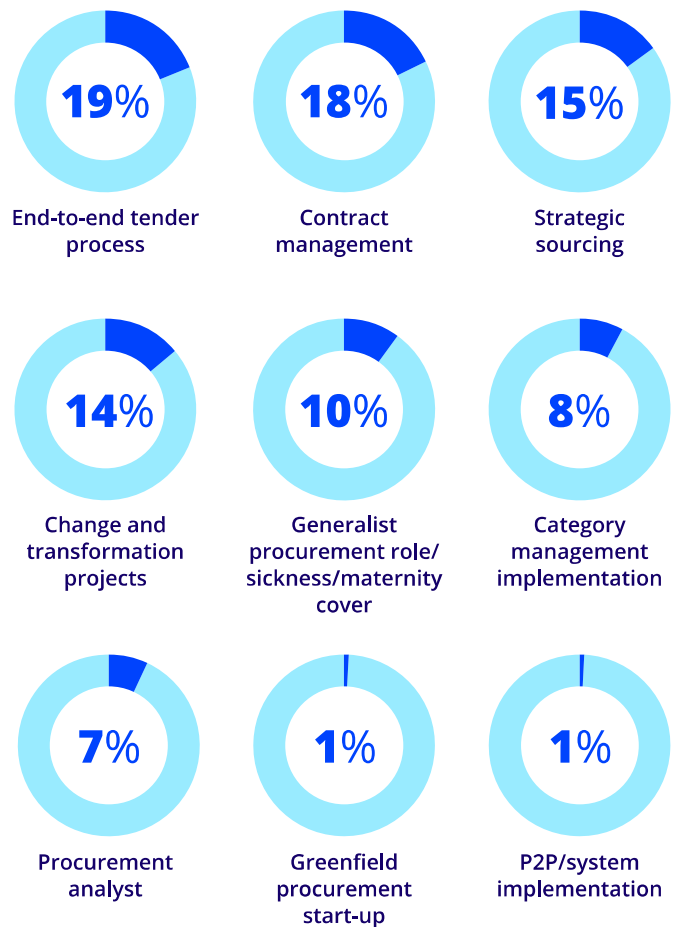
19%
of interim roles involve an end-to-end tender process

Interims may be hired for many reasons as well as for a considerable range of time periods. In both the public sector and the private sector, the most common length of time is 6-12 months. That's because it typically gives an interim enough time to become fully embedded in the work and make a real impact, but for any longer than a year it starts to make more sense to find a permanent hire. This year that trend is more pronounced than in 2022, when there was a more even spread of interim contract durations.

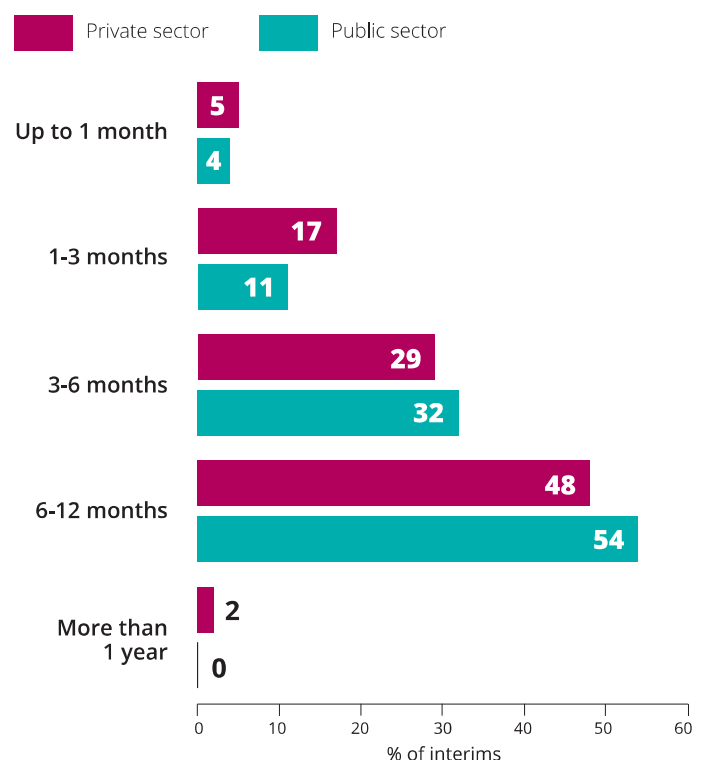
Moreover, very few people said any one contract had lasted over a year – 2% this year in the private sector and none in the public sector, compared with 16% and 20% last year respectively. That's a further reflection of budget restraints – one of procurement professionals' top three challenges in this year's survey – creating more pressure to manage longer-term staffing requirements in the most efficient way.

The proportions of different project types are similar to last year, other than change and transformation, where there has been a significant decrease, from 26% in 2022 (and 27% in 2021) to 14%.

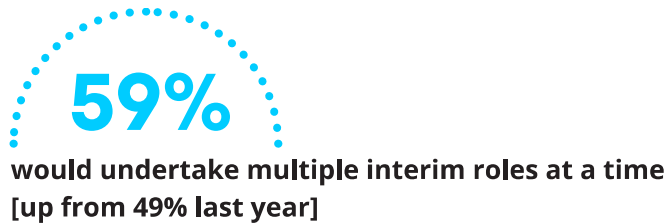
Interim project type



Duration of interim contract by sector



Interims: where and why

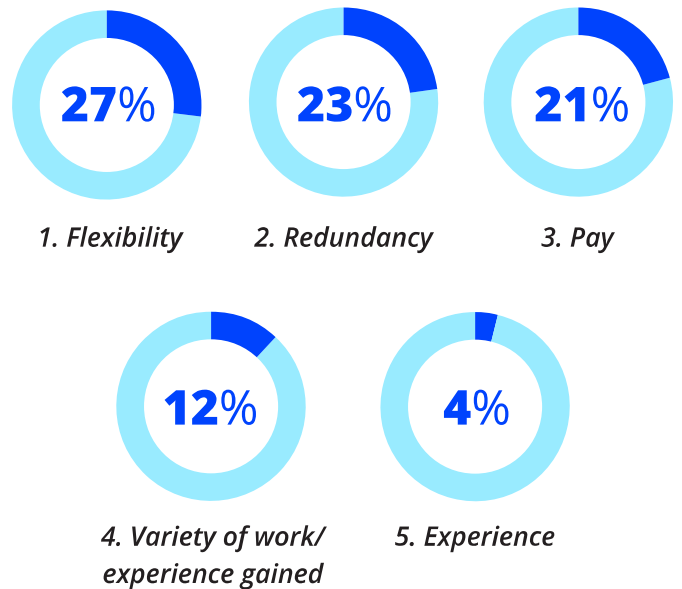


As has been said elsewhere in this guide, one major outcome of the pandemic was a spotlight on the way we work, making us reassess our work-life balance. The main reason for becoming an interim is once again flexibility. In that context, it's becoming more common for people to be doing more than one job* at once, in order to boost their income. The greater flexibility allowed by working as an interim makes that easier to manage. However, with many organisations becoming less concerned by what hours people work or where they work them as long as the job gets done, that could become less of a factor in future.

Although pay is once more an important reason for becoming an interim, this year redundancy is an even more common driver – cited by 23% in comparison to 16% last year.

London is once again by far the most likely place for an interim to be working. The only other region that a significantly increased number of interims reported working from is the South East. People have more flexibility to work from home these days and, because living and working outside the capital is a more affordable choice, the cost-of-living crisis is further fuelling this trend.

Top five reasons to become an interim



Interims by location

Region	%
London	26
South East	23
East Midlands	10
Yorkshire and Humber	8
Scotland	7
South West	7
North West	5
West Midlands	4
East of England	4
Wales	3



READ: *CV-Library reveals that 58.2% of UK workers plan to take on an additional job in 2023

Interim day rates

£521

average day rate for interims (across all sectors), compared with £551 last year

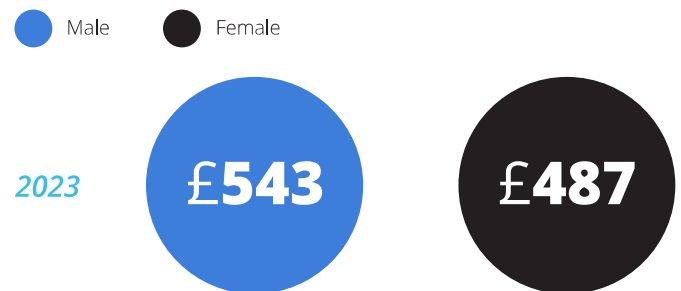
After seeing a large rise in their remuneration last year, day rates for interims have fallen back, especially for women and in the private sector.

Following the pandemic there was a great deal of movement in the labour market – often referred to as ‘the great resignation’ – with many people finding new roles, for numerous reasons. That is no longer as much of a factor, with people settling into their new roles and less likely to be seeking a move. Furthermore, the number of organisations hiring interims on a project basis has increased this year, whereas the proportion using them to provide more general additional resources has reduced. That, coupled with the growing challenge organisations are facing around budget restraints, has put pressure on what they are prepared to pay, depressing the day rate.

Though the figures shown are averages for the whole profession across all job levels, making too direct a comparison with previous years’ figures can be problematic.

The overall figure is also driven more by the private sector, where there were more responses to our survey. In the public sector, the average day rate for interims has seen another increase this year, albeit more modest than the one in 2022.

Interim average day rate by gender



Interim average day rate by sector



CASE STUDY



'I like the changing environment... it's all about the challenge'

What's it like working as an interim in procurement? **Joanne Rosewarne** – currently operating as **Business Unit Business Partner for Healthcare in the NHS** – shares her take

Joanne first encountered procurement at the age of 20 when working for the RAC. Her actual job, handling complaints about contractors, only filled a couple of days of her week, so in her down time she offered to help out a friend doing procurement, looking after facilities. The RAC told her: "If you want to work in procurement you'll need to get your MCIPS", so she enrolled and never looked back.

Around 10 years later when Lex Auto bought the RAC, she saw it was a kind of crossroads: stay at RAC for the rest of your career, or try something new. Keen for a fresh challenge, she'd just taken a short break to help out with her sister's wedding, when an agency rang offering a three-month procurement contract in Warrington. "That was the first time I'd heard of the interim world or contracting," she says. "I thought, ok I'll do the three months. And that was 20 years ago!"

"I've only ever worked for bluechip companies," she adds. "I've bought, advised, contracted and created agreements for most things out there – millions and millions of pounds' worth of savings over 20 years. And that's what gets me out of bed very early every morning!"

Would it suit you?

You need to be a fast learner...

"You have to hit the ground running and learn very quickly. People normally don't like change, but I don't like to NOT change. I like that change in environment all the time and being the new person. I'll need to find out all about that business as quickly as I can to make the best impact in my job every single day."

...and it helps if you thrive on pressure

"There can be a lot of pressure on you as an interim – you can feel like you've got a spotlight on you all the time and there's no resting on your laurels. You have to be at the forefront of everything, every single day. But that's what I like, I like working in a stressful environment and making a difference."

