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Procurement Salary Guide 2022

Australia and New Zealand

Key trends and findings



Embrace the challenge

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

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

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

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

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

Younger professionals are increasingly looking for organisations with values that chime with

their own. Those organisations putting ethical behaviours, sustainability goals and focussing on an improved work-life balance will attract the skills, commitment, and energy of the skilled professionals they need. This is not to say that salaries are ignored, but it is just one of several factors that have equal billing. Businesses must ensure that they get the balance right in terms of culture and values, benefits and compensation.

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

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

Malcolm Harrison
Group CEO, CIPS



Hiring for the future

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

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

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

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

The increased spotlight on procurement as a strategic function has also impacted the skills required to drive it. Technical acumen remains critical, but there can be no substitution for human judgement. Emotional intelligence is essential to both relationship management

and negotiation, as well as data manipulation. It's important that we don't just understand what the data means, but how it can help give businesses their competitive edge.

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

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

Scott Dance
Director, Hays Procurement & Supply Chain

hays.co.uk/procurement

Perceptions of procurement

It is clear that the perception of procurement has been significantly enhanced over the past 12 months. As the global economy becomes increasingly volatile and supply chains are squeezed, skilled professionals who help keep organisations going, reinforce bottom-line strength and instigate growth are being increasingly recognised for their value.

Procurement professionals have played a key role in keeping organisations moving during the pandemic and it hasn't gone unnoticed. The pandemic response demanded agility and leadership, and the profession delivered. This has been reflected in 70% of respondents saying that the perception of procurement has improved over the past year, and over half (61%) saying they feel valued within their organisation, with 50% also engaged from the start of projects.

This is excellent news. These changes start from the top, so it is very encouraging to see that the majority of directors and heads of departments understand the value procurement



believe the perception of procurement has improved in the past 12 months

brings to an organisation, both at a strategic level and at a talent level.

There is also good news for salaries across New Zealand and Australia. Over half (62%) received a pay rise in the past 12 months, while 77% of those eligible for a bonus received one. Improved salaries are heartening, but the gender pay gap remains. While it is pleasing to see it has narrowed in Australia (now 6% from 17% in 2021) it remains especially wide in New Zealand (28%) and there is still much work to be done in both countries to eliminate it.

Salary is not the only area where employees have seen improvements. Flexible working has led to a better work-life balance, but there remains a need for employers to provide support for career development if

they are to retain the best talent: almost half of employees cite a commitment to staff training and development as important when considering a new job. As ever, employers are willing to pay more for MCIPS talent.

The light the pandemic has shone on the strategic importance of procurement has also highlighted the skills needed to thrive in the role and drive further value. Excellent relationship and interpersonal skills underpin successful procurement, and are rated as key skills by employees, as well as the skill most in demand from employers. Focusing on and fine-tuning these skills will be key in tackling the challenges that lie ahead for the profession.

Whether you're developing your team and hoping to attract the best talent, or looking to further your own career, I hope you find the insights from this report valuable.

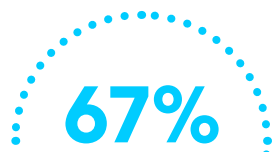
Sharon Morris
General Manager, CIPS Australia and New Zealand



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

Malcolm Harrison, CEO, CIPS

How procurement is viewed



67%
believe directors and heads of other departments in their organisation understand what procurement specialists can offer (across all sectors)

Most procurement professionals that responded to our survey feel their work is recognised and appreciated by colleagues – with 61% saying that procurement is very much valued in their organisation. Furthermore, 70% report that the perception of procurement has improved over the past year.

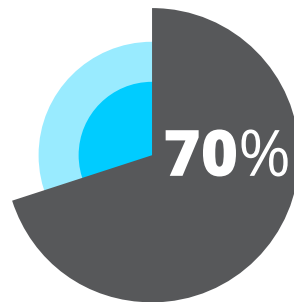
Crucially, procurement is appreciated at the top level of organisations, with 67% of respondents saying that directors and heads of other departments understand what procurement specialists can offer.



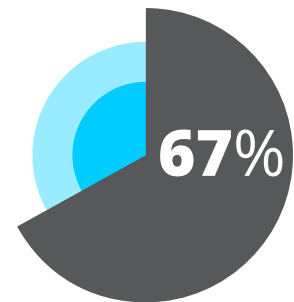
As procurement's perceived value increases, stakeholder engagement becomes an essential business skill. It means a procurement professional collaborates effectively with stakeholders inside and outside their organisations. This includes the ability to influence and negotiate face-to-face and virtually, as well as through written communications.

**Sharon Morris, General Manager,
CIPS Australia and New Zealand**

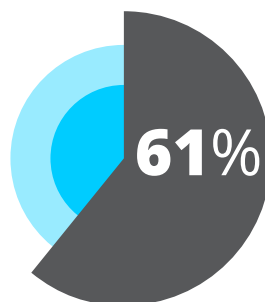
The overall picture: how procurement is viewed



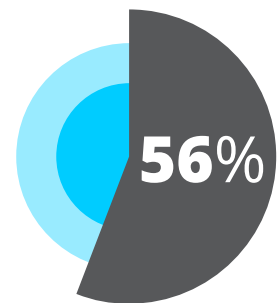
Perception of procurement has improved in the past 12 months



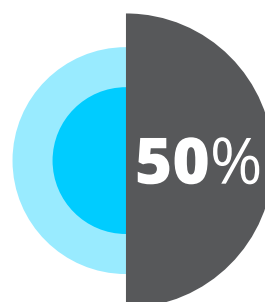
Directors and heads of other departments in my organisation understand what procurement specialists can offer



Procurement is very much valued within my organisation

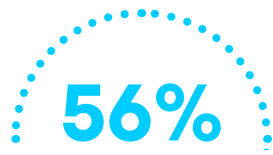


Staff in other departments in my organisation understand what procurement specialists offer



Procurement is engaged from the start of a project

Key challenges



56%
cited managing risk in the supply chain as their top challenge in the next 12 months

Risk, strategic recognition and staffing are the main challenges professionals face over the coming year, according to the results of our survey. A majority of respondents (56% in comparison to 49% last year) say that managing risk in supply chains will be a challenge – and this only gets more acute as the pandemic’s impact continues to squeeze global exporters such as

China and Japan. Just under half of respondents (48%) are conscious that being seen as a strategic partner to the business needs focus.

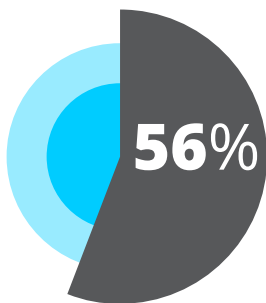
A particular pain point that the profession has felt and is a concern moving forward: attracting and retaining talented procurement professionals. Attracting and retaining staff are both in the top five challenges at 46%, which is a significant shift from the 34% cited last year. The pandemic has inspired job movement and it has become a candidate’s market. Attracting and retaining talent is always a challenge but strong career growth opportunities, the option to gain qualifications and competitive remuneration all mitigate the risk.



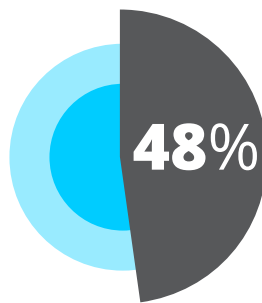
Competition for talent is fierce. Employers will need to act fast to secure the professionals they need to help their organisations navigate the challenges to come, meaning hiring managers should be briefed as a matter of priority as soon as a vacancy is identified. With many candidates often having up to four or five job offers to choose from, speed-to-hire is more important than ever.

Tim James, Hays Regional Managing Director, VIC, TAS & ACT

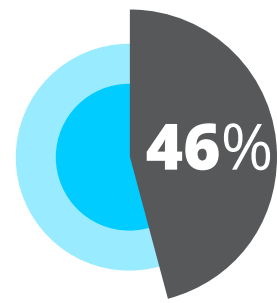
Top five main challenges for procurement in next 12 months



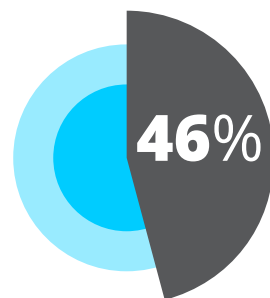
1. Managing risk in the supply chain



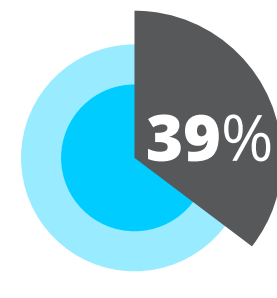
2. Being seen as a strategic partner to the business



3. Attracting staff with the right skills



4. Retaining staff



5. Ensuring engagement with procurement at the outset of a project

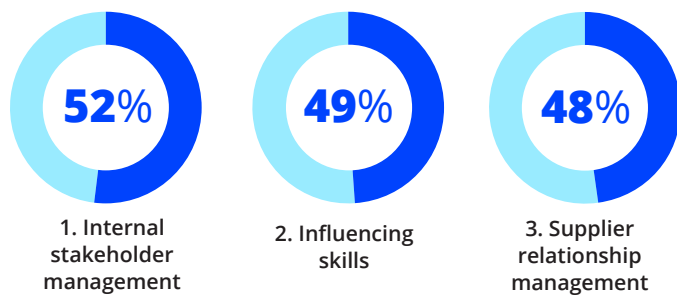
READ: Procure new skills

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

Importance of key skills

It's in the importance of key skills where the impact of global events over the past two years appears most acutely. Supplier relationship management is new to the top three list of most important skills and needed in four of the job levels. This shows the need to develop relationships with key suppliers to drive efficiencies and sustainability. In some cases, securing supply is a priority and it is also directly linked to managing risk in the supply chain – a key challenge.

Top three most important skills (all job levels)



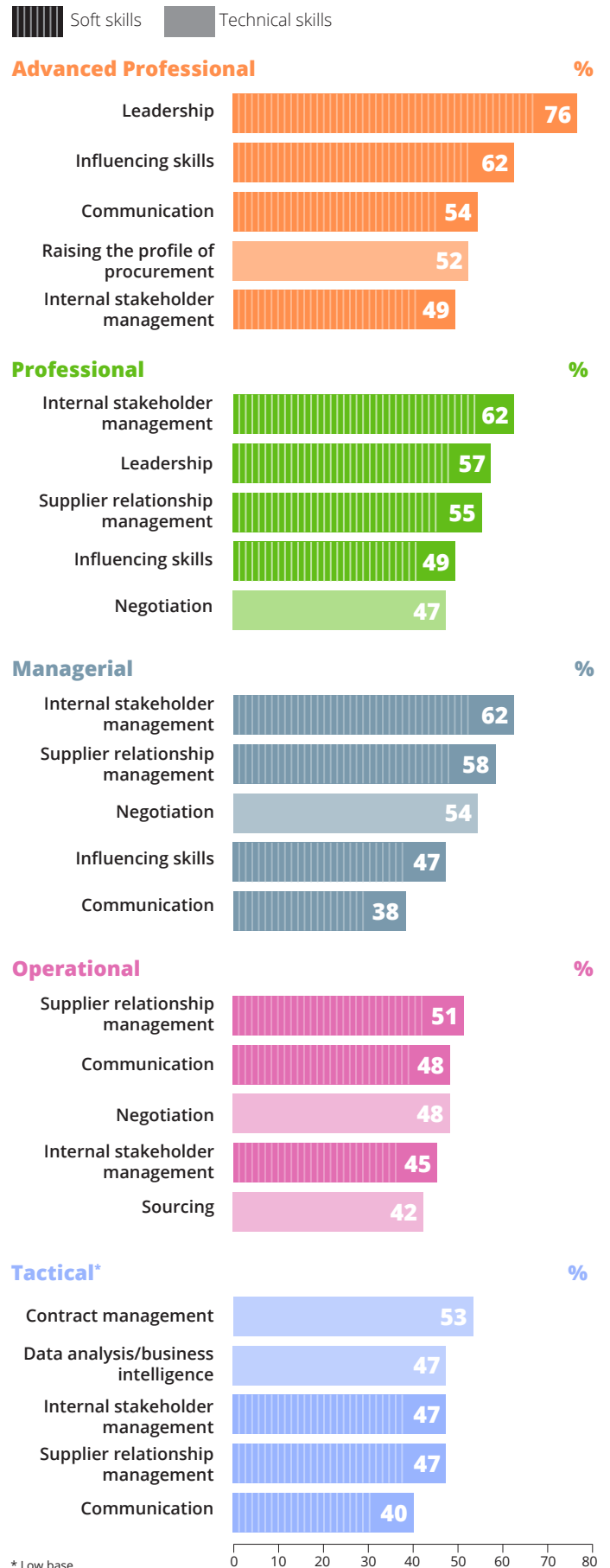
As procurement professionals' roles continue to evolve, so do the skills needed: soft skills dominate the top skills in demand across all levels. A strong procurement professional has technical ability mixed with fine-tuned soft skills.

At the Advanced Professional level, leadership is rated as the most important skill by 76% of respondents. As senior professionals continue to lead their organisations and teams in uncertain and often difficult circumstances, strong leadership is more highly valued. Not only does the appearance of strong leadership at Professional level reflect the growing importance of leaders within our profession, but also the understanding and impact procurement has across all parts of an organisation.

At Professional and Managerial level, 62% say internal stakeholder management is most important, indicating a widespread recognition of the need within procurement for skills to communicate, engage with and influence those across the organisation. This is why the technical skill most important to Advanced Professionals is raising the profile of the profession – at 52%. We need to show the value we bring.

Technical skills are most valued at Tactical level, with contract management and data analysis/business intelligence cited as the most important skills by 53% and 47% of respondents, respectively. Different sets of technical skills appear at Operational level, with negotiation key to 48% and sourcing to 42%.

Top five most important skills by job level



* Low base

Salaries



Procurement professionals are again reporting buoyant salaries and bonuses, with significant rises this year following the difficult period throughout the pandemic.

The average annual salary for procurement professionals in



Australia is A\$159,043 and NZ\$127,245 in New Zealand.

Across the two countries, 62% report having received a pay rise in the past 12 months. The average rise, as a proportion of annual salary,

* www.tradingeconomics.com/australia/wage-growth ** www.stats.govt.nz/news/wages-continue-steady-rise



is a healthy 6.6%. This compares with a rise in Australia's seasonally adjusted wage price index of 2.3%, year on year, in Q4 2021*. In New Zealand, average hourly earnings rose 3.8% in the year to December 2021.**

Salaries: Australia

The breakdown of average salaries by job level suggests one of the biggest salary-improving career moves is the transition from Operational to Managerial level, involving an average A\$41,000 rise, or 39%. The increased earning opportunity, in terms of average salaries, occurs in the move from Professional to Advanced Professional – A\$44,039, or 26%.

When it comes to the gender pay gap in Australia, the heartening news is that procurement professionals' average salaries this year are indicating a much narrower gap than 2021. With a disparity of A\$9,472, or 6%, this is a significant improvement on A\$22,173, or 17%, reported last year.

There are many factors that go into this overall figure – sectors, roles and numbers of respondents. When we look at the numbers by job level, we find a 1% gap at Advanced Professional level (A\$215,729 male v A\$213,262 female) and a 4% gap at Professional level (A\$172,043 male v A\$165,565 female). At Managerial level, female respondents on average receive a 3%

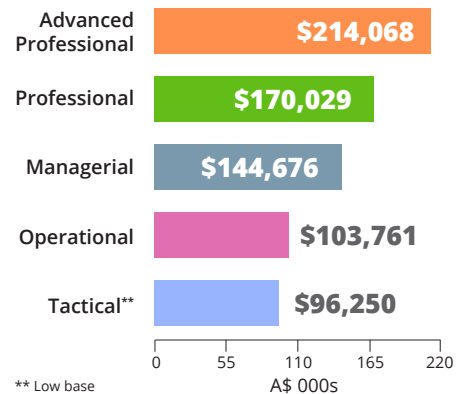
higher salary (A\$143,421 male v A\$147,716 female). Beyond that, base numbers are low.

As a profession, we are acutely aware that diverse thinking and a more gender-balanced approach to many of the technical and soft skills the role requires are essential. We need both to make procurement an attractive profession for everybody and then offer support and development throughout their careers. There is still work to do as long as any gap still exists: proactively building a pipeline of future female procurement leaders is one significant step organisations can take to make further dents in this figure. Another strategy is to improve transparency within a pay grade structure – a tactic that helps close gender pay gaps† – which only 45% of respondents say their organisation has.

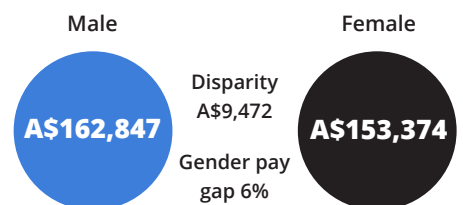
The gap between salaries in the private and public sectors has also narrowed, from a disparity of 6% in 2021 to just 1% this year. In cash terms that is a sector gap of A\$2,140 in average annual salary.

† www.wgea.gov.au/the-gender-pay-gap

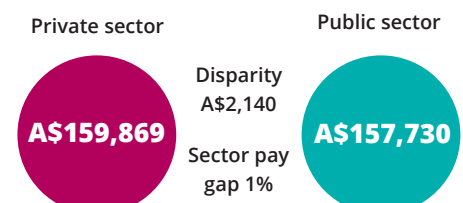
Salaries by job level



Salaries by gender



Salaries by sector

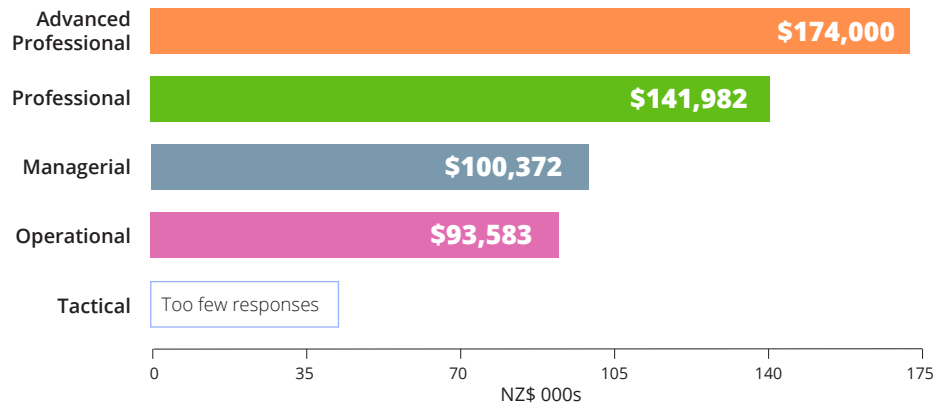


Salaries: New Zealand

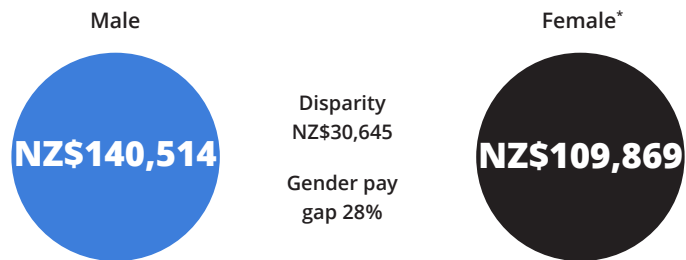
The salary pattern looks broadly similar to that of Australia, although base numbers are relatively low. There is a steady increase in salaries from Operational through to Advanced Professional level, indicating a healthy career progression.

The gender pay gap is 28%, although the low base size among female respondents may have contributed to this. The disparity between average salaries in the private and public sector is 20%, considerably higher than last year (3%). Again, a number of factors come into creating this number such as job role, sectors and levels – so this is indicative as opposed to anything more profound.

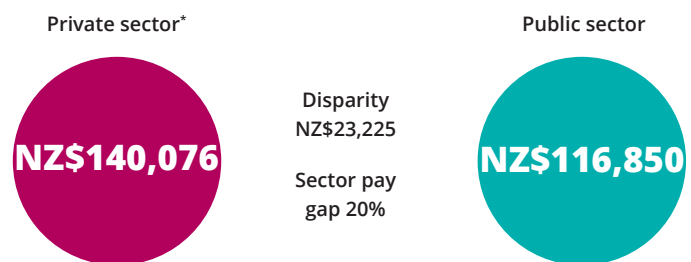
Salaries by job level



Salaries by gender



Salaries by sector



* Low base

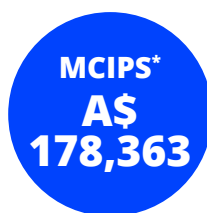
Professional recognition

Our profession recognises and rewards those who acquire the status of MCIPS on a global level. This is clear in financial terms, with average salaries 43% higher in New Zealand among fully qualified professionals compared with those without any accreditation. In Australia (with a larger respondent size), the MCIPS salary enhancement figure is 19%.

As well as salary uplift, MCIPS assists procurement professionals' careers in other ways, with 39% of employers requesting MCIPS (or studying towards MCIPS) as a preference when recruiting. The status reassures employers about an applicants' technical skills, motivation and perseverance, as well as their commitment to the profession. Chartered status develops this further, showing clear commitment to ethical practice and lifelong learning.

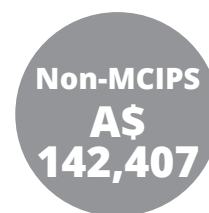
MCIPS is the global standard for the profession, demonstrating professional relevance and credibility. Those with MCIPS have an advantage in terms of career progression, with increased demand from employers and higher rewards and earning potential for their work. The importance of studying towards and showing commitment to qualifying for MCIPS is evident this year, with those achieving MCIPS able to demand greater remuneration

Australia: MCIPS v non-MCIPS salary disparity



Disparity
A\$35,956

% gap
25%



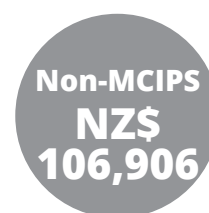
* Low base

New Zealand: MCIPS v non-MCIPS salary disparity



Disparity
NZ\$33,963

% gap
32%

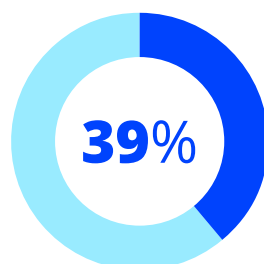


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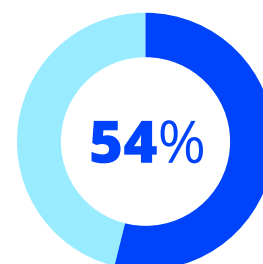
for their dedication to the profession. As we might expect, employers are willing to pay a premium for these individuals, and they are rewarded with higher salaries.

This year the average salaries for MCIPS professionals are 43% higher in New Zealand compared to non-MCIPS. In Australia (with a larger respondent size), the MCIPS salary differential is 19% compared to non-MCIPS. Those with FCIPS are more likely to enjoy higher salaries than those without too, indicating that the benefits of formal CIPS qualifications carry through to the highest levels of seniority. Besides higher salaries, MCIPS offers a more

positive career outlook, with 39% of employers requesting MCIPS (or studying towards MCIPS) as a preference when recruiting and 54% would give further consideration for candidates with FCIPS. This is likely to be driven by the technical knowledge gained from the qualification as well as the dedication required to pursue it: individuals motivated to invest time in further study show ambition and a thirst to succeed. Similarly, upgrading to Chartered status (which is free of charge for eligible MCIPS) further indicates a desire for continuous professional development and shows clear commitment to ethical practice and lifelong learning.



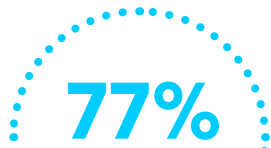
request MCIPS (or studying towards) as a preference when recruiting



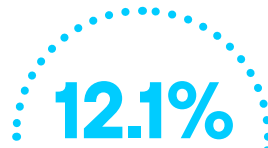
would give further consideration for candidates with FCIPS

MCIPS: Stand out from the crowd
How this globally acknowledged award offers many career benefits

Bonuses



77%
of those eligible received a bonus in the past 12 months (Australia and New Zealand)



12.1%
average bonus as a % of salary in Australia



10.3%
average bonus as a % of salary in New Zealand

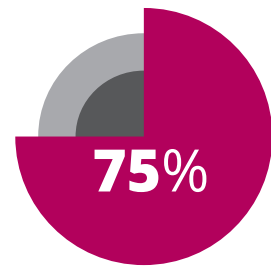
Bonuses are a significant part of the remuneration package for many procurement professionals around the world, and this is particularly the case in Australia and New Zealand. They are much more common in the private sector with its emphasis on profit making and efficiency, with three quarters (75%) of respondents saying they are in roles eligible for a bonus, compared with 13% in the public sector. Of those eligible, 77% actually received a bonus this year, higher than 63% in 2021, an indication that the tight financial controls of the pandemic are softening.

Eligibility for a bonus is higher among qualified and accredited professionals at 54%, compared with 43% who are not qualified.

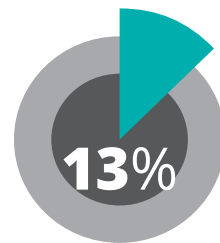
In both Australia, 12.1%, and New Zealand, 10.3%, actual bonuses received as a percentage of salary are slightly higher than last year – 11.0% and 9.5%, respectively. This small trend is in line with the improved perception of procurement’s role. As shown below, bonuses tend to reward overall business success so an increased bonus is an acknowledgement of procurement’s role in that success.

For 81%, the basis on which bonuses are calculated is the targets achieved by the company. This is not the preference of the professionals, with only 52% preferring this method. A much larger 81% would opt instead for bonuses based on personal targets – so they can have more unilateral control over and impact on the incentive.

Bonus eligibility by sector across both regions

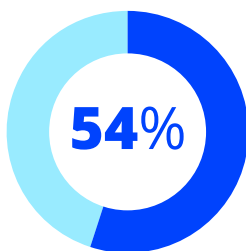


Private sector

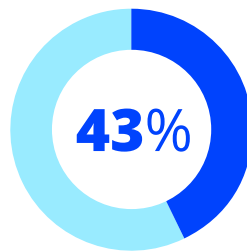


Public sector

Bonus eligibility by qualification across both regions

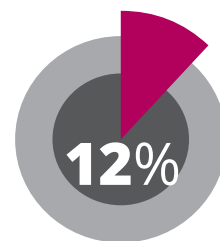


Qualified

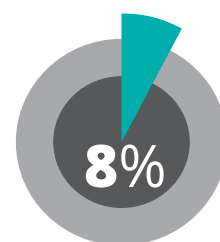


Not qualified

Average bonus by sector: both regions



Private sector



Public sector*

How bonus is defined v preferred

Benefit	% Defined	% Preferred
Company achieving targets	81	52
Achieving your personal targets	73	81
Team achieving targets	43	43

* Low base

Benefits



receive a working from home benefit, the most common benefit

Working from home has become a standard feature of life as a procurement professional. As one analyst said, it is no longer the new norm – it is just the norm. That is reflected in the proportion of respondents saying that working from home is one of the benefits they receive – at 79% it is even higher than the 77% reported last year during the height of the Covid-19 lockdowns. It also tops the list of benefits professionals would prefer, along with flexible working hours, with 59% citing them.

Working from home has a 20% point difference – the highest difference – between benefit desired and received, with flexible working hours next on 13% points. This does seem to be a source of tension across regions: employers would like to see fuller offices, employees would like to

retain more flexibility. A strong desire for a healthy work-life balance underpins both these results with a trend only heading in one direction.

Organisations should look at creative approaches to accommodating a hybrid working environment – from better use of technology to empowering line-managers to make decisions, as opposed to blanket orders from the board. Get it right and productivity improves, and attracting and retaining talent becomes easier.

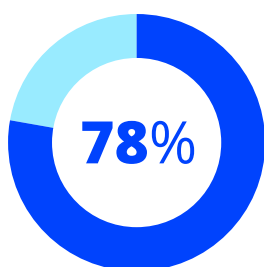
There are common benefits that people are more indifferent about receiving, such as income protection and private medical cover. There’s a suggestion in these results that organisations could communicate their benefits better – explaining why they’re of value and fully enhancing a remuneration package.

Support for career development and study, particularly for younger procurement professionals does rank highly and deserves attention: a clear path of progression and help in finding your way down that path is a valuable benefit. From an employer perspective, it’s an investment that can reap strong rewards.

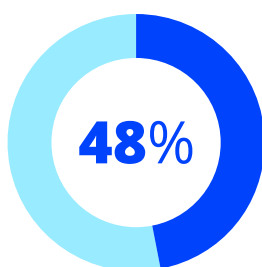
How benefits are defined v preferred

Benefit	% Preferred	% Received	% difference
Working from home	59	79	20%
Flexible working hours	59	72	13%
Private medical insurance	38	13	-25%
Support for study/career development	33	34	1%
Income protection/permanent health insurance	28	13	-15%
Professional body membership fee	27	31	4%

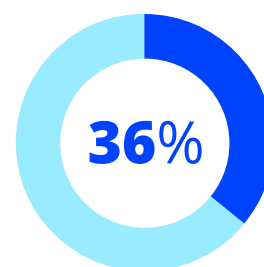
Most common flexible working arrangements



Home or remote working



Informal flexible working (at line manager’s discretion)



Flexi-time

Benefits employees prioritise as a result of Covid-19

Covid-19, of course, had a substantial impact on people's lives, including their working arrangements. For procurement professionals it was an opportunity to experience different ways of getting the job done, and, crucially, working remotely.

When asked, nearly two years after lockdowns began, how their work-life balance has changed, more were inclined to think it has improved than stayed the same or got worse. This was particularly the case in the public sector with 45% saying it had improved, significantly more than the 23% reporting that it's worsened.

In the private sector, there was a similar overall pattern, but with fewer professionals (40%) saying it has improved and more (29%) saying it has worsened.

When asked about their preferred working arrangements in the coming year, most preferred not to be fully or mainly office-based. Just 18% of public sector professionals indicate a preference for this, and only 17% of those in the private sector. A full office working life only appeals to 2% or 3%.

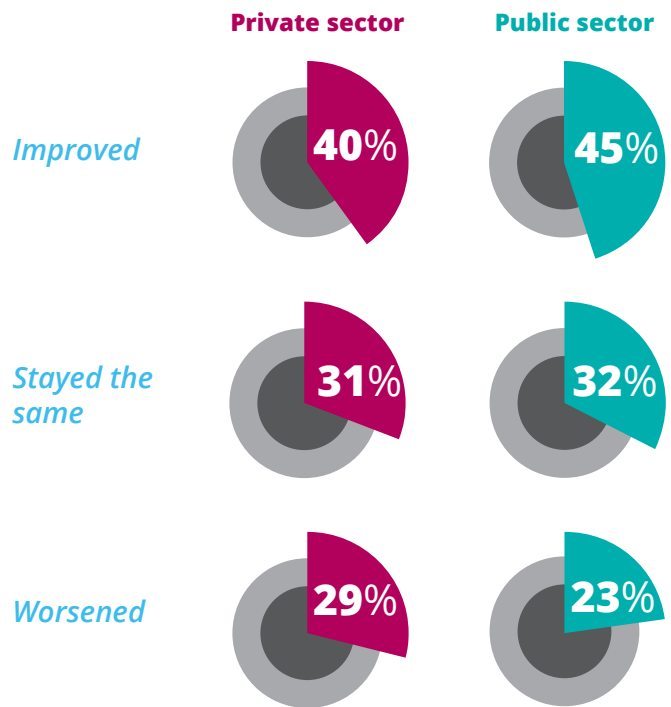
That said, fully remote working isn't popular either with only 5% in the private sector and 3% in the public sector interested. It's all about a balance: a hybrid existence with a tilt towards home working – or a straight even split of time – is most popular among respondents.



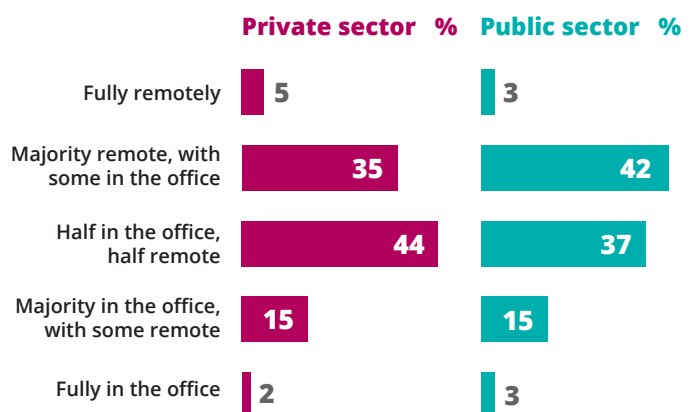
Compelled into it by the pandemic, many organisations now realise that flexible working environments are not only viable but also help professionals thrive. Improved mental health, work-life balance, and all-round well-being helps both employees and employers. Alongside a clear training and development program, it's a key attribute for talent attraction and retention.

Tim James, Hays Regional Managing Director, VIC, TAS & ACT

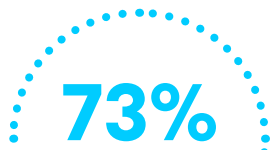
Change to work-life balance due to Covid-19, by sector



Work environment preference post Covid-19, by sector



Talent management



of employers have struggled to find the right talent

Those recruiting in procurement want to hire talent but it's a frustrating time – and it's getting tougher. Last year 53% of employers said they struggled to find the right talent, the proportion this year soared to 73%. Asked specifically about the main challenges they face, 53% of employers pointed to applicants' salary expectations, and 49% cited competition from other employers and lack of sector skills and experience. Competition from other employers has risen from 26% in 2021, giving a good indication of how the race to hire procurement talent is hotting up.

Employers do desire a professional standard, with a third (33%) of Australian respondents and 62% of New Zealand respondents citing a preference for candidates with MCIPS. This combination of a tight talent race and the desire for formal procurement training such as MCIPS means salary expectations are high for those with the skills in demand.

When asked generally what skills and competences are very important when hiring in procurement, most employers (52%) list communication. Internal stakeholder management follows, cited by 49%. The only technical skill listed in the top five is negotiation, again reflecting the high value given to soft skills in the profession.

This breakdown highlights the importance of sector-related skills, and the role that MCIPS membership plays in helping people advance their careers. MCIPS membership encourages, develops and validates sector-specific skills both technical and soft, and helps employers distinguish between applicants.

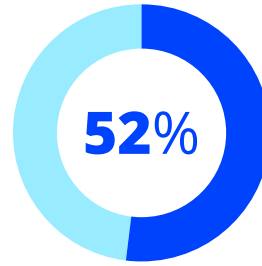


As skills shortages intensify, offering packages that go beyond salary and bonus is increasingly important. Attracting talent may mean more flexibility and clear career development programs, for instance, which ultimately empower both organisations and individuals to succeed and thrive.

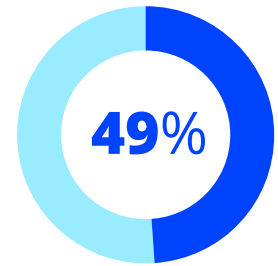
Tim James, Hays Regional Managing Director, VIC, TAS & ACT

cips.org/salaryguide

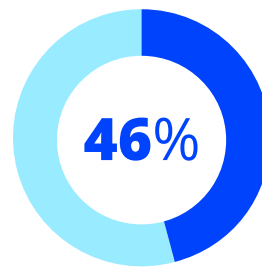
Top five skills in demand



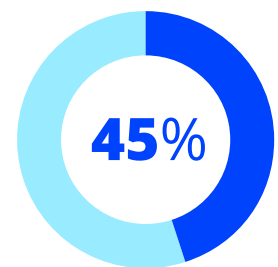
Communication



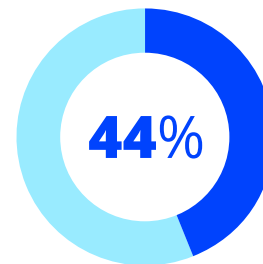
Internal stakeholder management



Negotiation

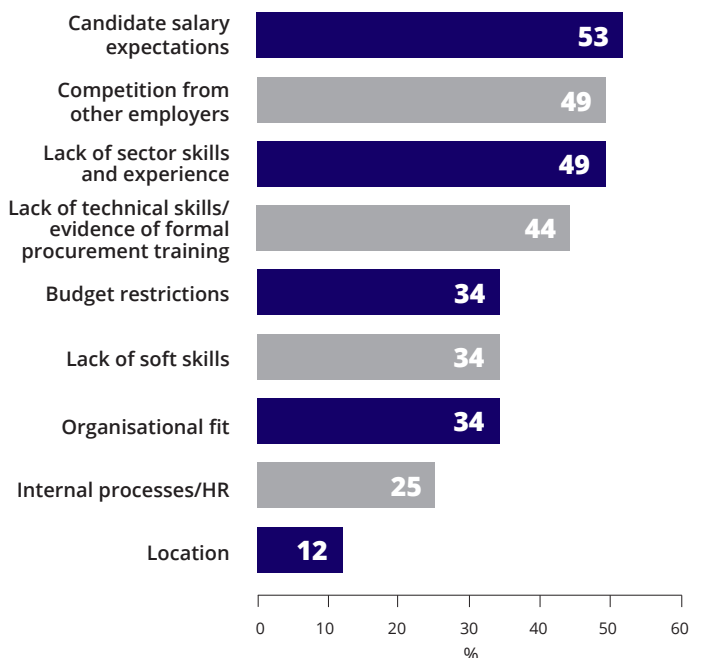


Influencing skills

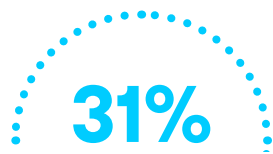


Supplier relationship management

Challenges in recruiting the right talent



Employee movement plans



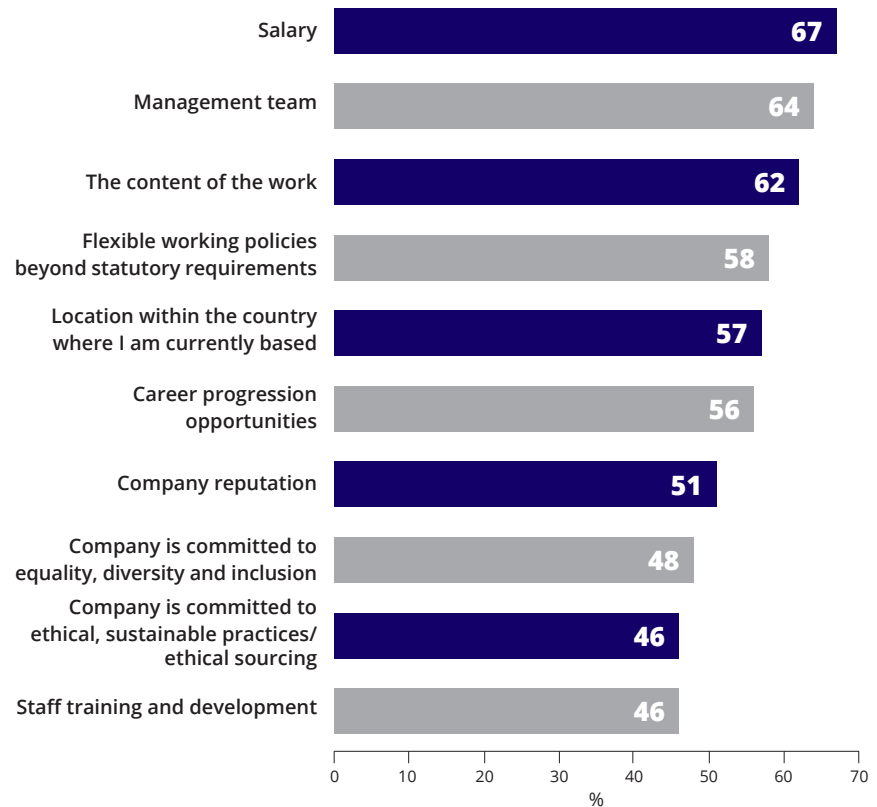
31%
expect to be moving to a new role within the next 12 months

Nearly a third (31%) of procurement professionals who responded to our survey say they expect to move to a new role in the next 12 months. For a significant proportion the move is imminent, with 17% looking to change jobs in the next six months.

For those who are looking to move, salary is a major factor when considering a new opportunity. Out of those asked, 67% said salary was very important when job seeking. But 64% said the same of the management team, while there were also high numbers stressing the importance of the content of the work at 62% and flexible working policies at 58%. This shows that while salary is a key driver, it's certainly not the only one.

Of the respondents not looking for a new role, nearly half (48%) said they enjoy the job they have now and 41% cited a desire to retain their work-life balance. Just 16% cited inspiring managers as a reason to stay in their current role, though on the plus side, it did make it into the top five, compared with last year's survey.

Top 10 most important factors when considering a new job



Top five reasons to stay with current employer

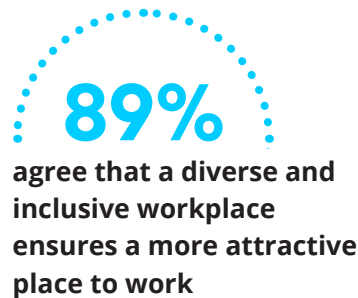


Equality, diversity & inclusion (ED&I) in the workplace



A large proportion of procurement professionals are convinced of the benefits that equality, diversity and inclusion bring to their workplace. This is not simply about being fairer but about tangible, practical benefits working towards organisational goals.

Equality, diversity and inclusion bring greater creativity and innovation to the team, say 90% of respondents, while 89% agree that it makes the workplace more attractive and so increases access to a wider



variety of skills. Improving team productivity, which is as practical and bottom-line focused as it gets, was cited as a reason to engage in diverse and inclusive hiring practices by 82%.

But there is a significant disparity between what professionals agree are the benefits of ED&I and the actual practice of their organisation.

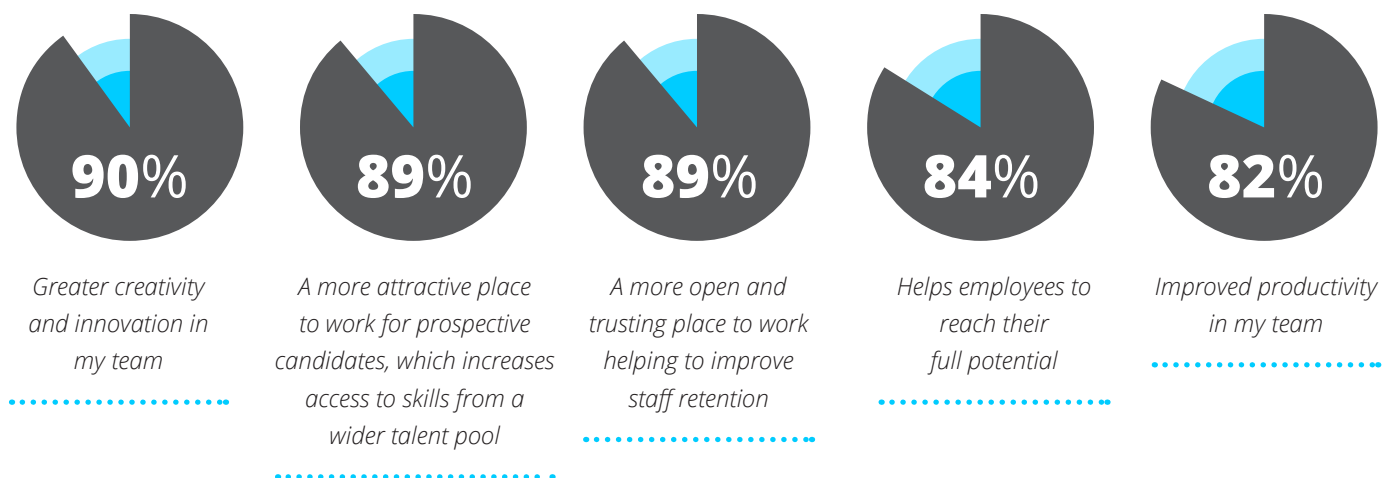
Many respondents did not identify any specific steps that their organisation had taken to ensure inclusive hiring practices. The most



frequently cited, by 50%, was using unbiased language when hiring. Diverse interview panels were cited by 43%, and unconscious bias training for hiring managers by 35%. This means that a large proportion of organisations are still not implementing recommended ED&I strategies. Among the respondents, 14% said that their organisation has implemented no measures for diverse and inclusive hiring practices at all.

Less talk and more action is needed
Please see here for tips and tools to help you from Inclusive Australia

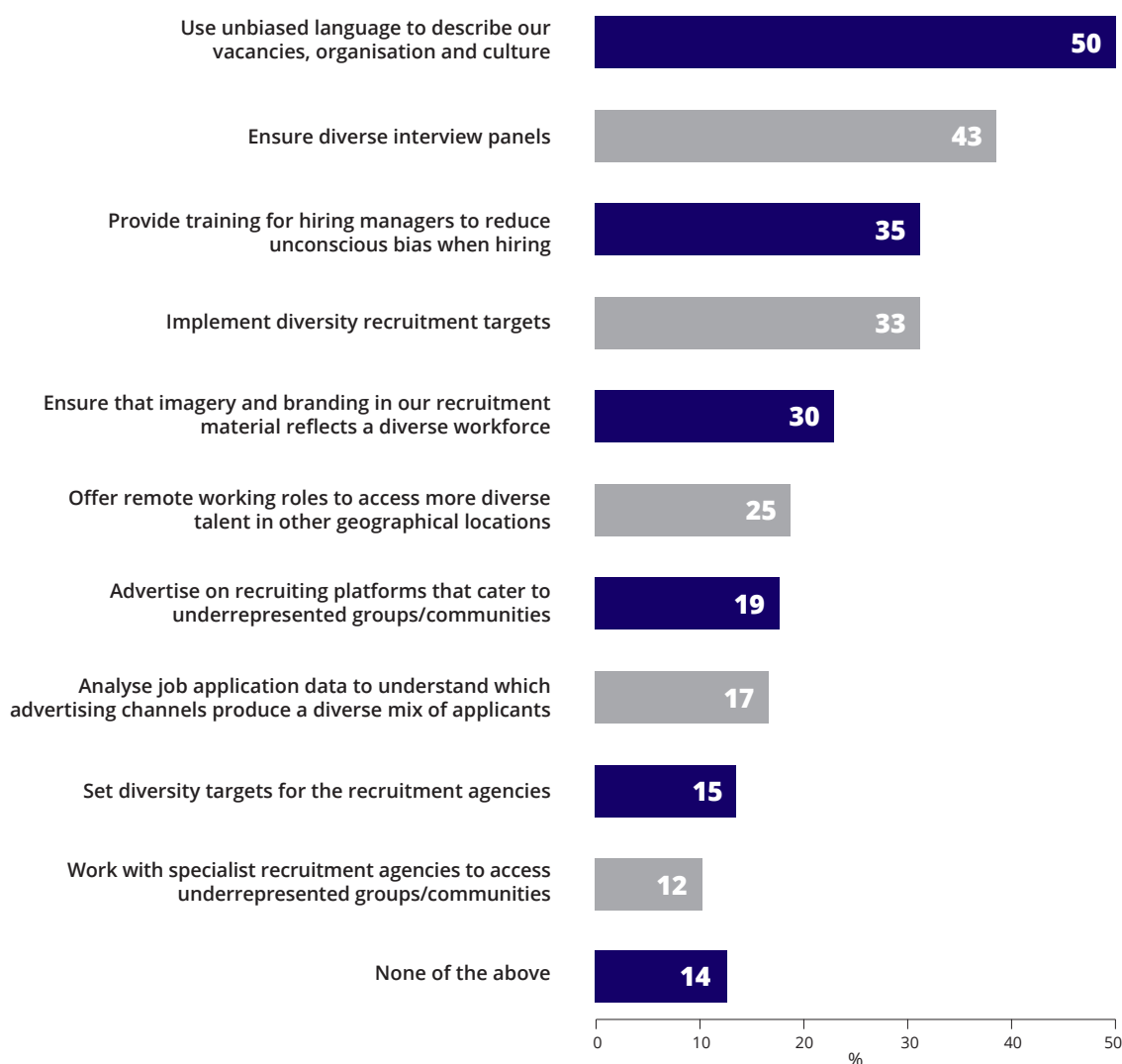
Reasons to engage in diverse and inclusive hiring practices breakdown



VISIT: CIPS ED&I hub
Promoting, supporting and encouraging ED&I within procurement

Equality, diversity & inclusion in the workplace continued

Measures taken to ensure diverse and inclusive hiring practices



Organisations all across the world fully understand the importance of ED&I, not only as an ethical imperative but also as an operating necessity. Our profession is no different. While there is plenty of work to do, and we can and will encourage greater adoption of good practices, the framework and understanding is there. If we make ED&I a priority we'll see the sustainable rewards for decades to come.

**Sharon Morris, General Manager,
CIPS Australia and New Zealand**

CASE STUDY



How to stay agile, whatever your company size: keep learning

Sharing knowledge and skills across all experience levels ensures everyone is on the same page, says **Phillip McDonald, General Manager Procurement at Woolworths Group (Australia)**

McDonald's team is responsible for an annual spend of more than A\$8 billion. Based in Bella Vista, Sydney, Woolworths Group Limited has extensive operations across Australia and New Zealand, with more than 200,000 employees. Founded in 1924, it is now the largest company (by revenue) in Australia and the second-largest in New Zealand. The Group's focus is supermarket retail in both areas.

"We're an agile and forward-thinking function, but the challenge in procurement is to provide consistent and valued support to the business," says McDonald.

"The Woolworths Group already has a diverse and engaging programme, along with highly capable talent in the teams. However, it can be a challenge to always maintain a level of consistency through communication and teamwork, along with making sure everyone is up-to-date on our processes, technology, and digitalisation.

"We want to ensure all people are singing from the same hymn sheet so we are in the final stages of deploying our Capability Framework."

He says that when people have been in the profession for many years, there can be resistance to continually updating their knowledge through the various educational options. To those

Education, education, education

There are 90 full-time procurement team members, more than 30% are MCIPS and over 80% have completed some form of Advanced Negotiation training. McDonald himself is running a third cohort of the Advanced Practitioner Corporate Award Programme. He's already helped 24 procurement team members to achieve the MCIPS professional designation through the applied learning path.

McDonald says that education is not new, but the trick is to follow up and decide what to do next: "We provide a framework and guide our procurement team members to achieve active outcomes. The CIPS Corporate Award programme has multiple modules, interactive workshops, and real-life assignments. The programme lets us uplift the team's fundamental capabilities and skills, enabling them to feel better prepared to take on the challenges and communicate effectively across the board. That is fully complemented by our own Capability Framework."

He says that ongoing education and training have always been key in retaining talented people, along with creating a cohesive and engaged team.



The future question will not be how much cost savings the procurement team can generate, rather it will be how the procurement team has optimised the engagement with our suppliers to meet the business stakeholder strategy.

team members, McDonald explains that it's important to update skills and knowledge to maintain a common language.

He explains that long-term team members find they get great satisfaction from sharing those skills and knowledge with less experienced procurement team members.

"It's a joint collaborative effort. For example, we want every single person in the procurement team to understand our advanced negotiation methodology and appropriate skills for their role, but as important we want everyone to use the same terminology and approach."

The key takeouts

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

70% of professionals feel the perception of procurement has improved the past year

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

6.6% annual average pay rise

Buoyant salaries are a clear indicator of the value of any profession, and in procurement they continue to rise. At 6.6% the latest annual average rise is ahead of salaries generally. The average procurement salary is A\$159,042 in Australia and NZ\$127,244 in New Zealand.

77% of respondents received a bonus

Bonuses too are rising. More generous bonuses are received by professionals with MCIPS, at 8.8% of annual salary in Australia and 13.3% in New Zealand. This is in comparison to 6.8% in Australia and 9.0% in New Zealand for those without MCIPS.

49% of employers say finding specific skills is a challenge

The intensified demand for the complex mix of skills needed to fulfil raised expectations is a challenge. Most organisations (73%) say they have struggled to find the right procurement talent over the

past year. Competition among employers is rising, as are candidate salary expectations. Teams are expecting to expand. A third (34%) of employers point to a lack of non-technical (soft) skills among job applicants. The need for fully qualified and validated professionals is evident.

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

Procurement professionals are convinced that diverse and inclusive workplaces are the way forward, opening up a wider talent pool and ensuring a more attractive place to work. Actual recruitment practices have yet to adapt fully to this, with professionals generally reporting insufficient action in key areas. At 6%, the gender pay gap in Australia is lower than last year (17%), indicating good progress. But the gap of 28% recorded in New Zealand still leaves much work to be done in tackling inequality.



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

Malcolm Harrison, Group CEO, CIPS



email: info@cipsa.com.au
cips.org/regional/australia-new-zealand

