

Procurement Salary Guide and Insights

Sub-Saharan Africa Region



Procurement Salary Guide and Insights 2018

What a time it's been since the last survey and what a different world we are now operating in. The direction of travel is full of unexpected twists and turns and a new world order awaits us with protectionism, potential tariffs and new challenges.

Businesses and organisations will need a steady hand to negotiate their way through all this, so it is a perfect time to have the support of trained, qualified professionals. These professionals will need strategic skills, data management and a steady disposition to help businesses find their way through the particular challenges faced by their organisations.

Once again, the CIPS/Hays Salary Survey has found that these talented individuals are increasingly in demand by CPOs. Though CEOs and Boards must still learn the lesson of the value that procurement can bring, these new tests are a spotlight on procurement's worth during this remarkable time in our history.

Many CPOs I speak to are struggling to secure good talent, but it is often soft skills that are missing from their talent portfolio, and not procurement and supply chain knowledge. Though sector knowledge is always useful, both sector and procurement knowledge can be learnt, so I would urge any employers to go for individuals with a fresh perspective and the ability to think outside of the box.

So that's the benefit of talented individuals for business and procurement teams, but those smart professionals are getting rewarded too. Our survey found that 49% of procurement professionals received a salary increase in the last year.

And, it's no surprise again that MCIPS professionals received 32% more in salary than non-MCIPS, so the value of CIPS membership is there for all to see. But, we must not rest on our laurels. Continuing professional development should be high on everyone's agenda, to always improve and find the next level of achievement, so I hope that this year our professionals will read more and do more to up their game and increase their usefulness so boards and CEOs also sit up and take more note of how fundamental good procurement is for their business.

Nearly half (46%) of employers say they have faced challenges finding the right talent in the previous 12 months. This could be the consequences of searching for exceptional talent rather than volume, for experience as opposed to expedience. Taking time to look for the right team will always pay off in the long run and those interesting, varied and rewarding roles are still out there.

Lastly and disappointingly, the survey found that the gender pay gap in our profession is not closing. Though there are so many instances of this in other sectors, I'm disappointed that procurement is not leading the way and bucking the trend. Raising the profile of women professionals and supporting gender diversity has been a focus for CIPS in the last year with our Women in Procurement event and the recognition of high achievers. I hope these small steps will contribute to a reversal of this setback in next year's results as we do more to support gender diversity in procurement.

I would urge you to look through the report in detail to understand what it means for you. There is no other report of this scale that gives insight into the profession across geographical regions, gender, sectors and company size. This is not just about pay and bonuses but the impact of CIPS membership, how procurement can fight against issues of our day such as modern slavery and the opportunities for great work and how to make an impact.

So to paraphrase the wise words of a former President of the United States, ask not what the profession can do for you, but what you can do for the organisations you work for and the wider world.

Gerry Walsh

Group CEO
Chartered Institute of
Procurement & Supply

Building soft skills for the future of procurement

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

Our report shows a continual upward trend in the value placed on procurement within organisations. Building a strong procurement team continues to be a priority for leaders in the industry, driven by a number of pressures within the market. As organisations continue to adapt to a changing landscape, so too must procurement professionals to ensure their soft skills in particular are up to date to meet the challenges to come.

Finding the right people is of paramount importance to be able to build the best team. I therefore encourage both procurement leaders and professionals to review the CIPS Global Standard for Procurement and Supply 2018, a comprehensive competency framework which sets the benchmark for what good looks like in the industry. One aspect the Standard covers is People Development, a section I have

contributed to and a factor that is important to me. Individuals can use this to identify the soft skills that will enable them to progress in their career and seek the training they need to be able to develop.

Our report also highlights the ongoing issues that employers face when recruiting. Professionals with the right soft skills are of great importance, however can be difficult to find. This can be especially challenging when seeking talented senior procurement professionals, who are all the more important to bring about the change which is high on the agenda for many organisations.

I am therefore pleased to be involved in the Fellows of the Future programme**, where Hays is partnering with CIPS, and which aims to build a pipeline of talented professionals

who have the potential to become future procurement leaders. We provide workshops, events and access to information to help professionals build the right soft skills and networks to be able to progress to FCIPS, as well as educate them about the importance of soft skills in the changing world of procurement.

We hope you find the insights we cover in this report useful in your workforce planning, or as a guide for your own career development.

hays.co.uk/procurement

Scott Dance

Director
Hays Procurement & Supply Chain

This year's report clearly indicates that there continues to be a strong demand for procurement professionals with demand consistently out-pacing supply. Furthermore, there is clear evidence that this pattern is mirrored in the UK, Australia and South Africa. The value of CIPS qualifications is clearly indicated in the report with professionals having been awarded MCIPS* enjoying salary increases on average 32% greater than employees in similar roles without CIPS qualifications.

The context of a labour market in which demand is outstripping supply places a premium on attracting and retaining the very best procurement professionals. Nowhere is this more clearly indicated than in the increase in salaries, being paid to graduate trainees, a

signal that the profession is seeking to attract the very best talent that is available. A further interesting trend, buried in the detail of the report, are the premiums paid to procurement professionals who are designated 'analysts'. Many of these professionals work in the 'engine room' of the profession and their enhanced salaries reflect the requirement of the procurement profession to deal with the realities of; big data, predictive analytics, eProcurement, AI and machine learning.

In previous reports, we highlighted the increase in learning and development spend as organisations tried to address the lack of talent by growing their own. This would appear to have been successful as only 60% of organisations report that finding the right talent was a major challenge for them.

In general, the outlook for procurement professionals remains excellent. Demand for their services outstrips supply and this is reflected in healthy wage appreciation. The profession is battling to attract the best talent available and seeking to equip that talent with the skills that are required of a profession servicing businesses operating in a quickly evolving environment. Those professionals who develop their capabilities will enjoy successful and remunerative careers and there is clear evidence that CIPS can help them on that journey.

Dr. John Glen

CIPS Economist
Visiting Fellow of Cranfield University

*MCIPS awarded on completion of CIPS Professional Diploma and three years' experience

**Currently only available in the UK

About this report

The CIPS/Hays Procurement Salary Guide and Insights 2018 allows procurement professionals and employers to:

- **Benchmark salaries and bonuses for different roles and profiles**
- **Highlight career aspirations**
- **Understand perceptions of procurement**

This report is also available for the following regions:
United Kingdom
MENA
Australasia
South Africa

THE REPORT IS DIVIDED INTO SECTIONS:

Salaries, bonuses and benefits

Finding talent

Importance of key skills

How procurement is viewed

Conclusion

Within each section we have set out the statistical findings of our survey alongside conclusions drawn by the experts involved in putting together the report, as well as a case study that illustrates best practice.

The findings in this report are based on research conducted in September 2017 via an online survey among professionals currently working in procurement. This year over 4000 professionals globally completed the survey. The results were analysed by the Professional Associations Research Network (PARN).

Statistics throughout this report have been rounded to the nearest decimal point.

Throughout this document different levels of professional seniority have been summarised into five levels of competency. These are described in the chart below along with some examples of job roles that fall into each group.

CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

COMPETENCY LEVEL

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.

Sub-Saharan Africa

In Sub-Saharan Africa, our report identifies the lowest salaries and salary increases out of all the regions we surveyed. However, the significant increased earning power of MCIPS members does point to a growing understanding of the benefits qualified procurement professionals can deliver, and this is supported by the fact that 86% of respondents felt that procurement is valued within their organisation.

Budget restraints remained the biggest challenge to employers seeking to recruit procurement talent in Sub-Saharan Africa; a consequence of ailing economies in most of the region combined with high input costs.

It is also interesting to see how the importance of key skills across the levels differ between South Africa and Sub-Saharan Africa. For example, Sub-Saharan African companies place much emphasis on supplier relationship management and negotiation, whereas in South Africa the focus is more on leadership and influence. This suggests differences in terms of business maturity and market conditions.

Abdul Majid Mahomed

Head of SA Professional Body
Chartered Institute of Procurement & Supply
South Africa

Salaries and bonuses

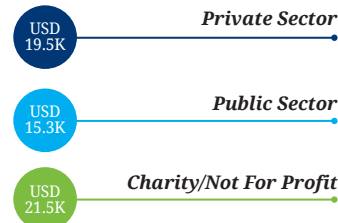
49%

RECEIVED A SALARY INCREASE
in the last 12 months

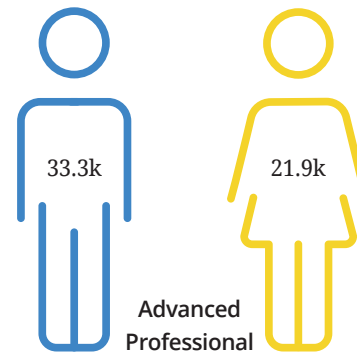
The highest salaries are paid in the Charity/Not For Profit Sector, at \$21,541 on average, followed by the Private Sector at \$19,500. 49% of respondents received a salary increase in the last 12 months and 33% received a bonus. These are the lowest figures when compared to all the regions surveyed.

Apart from Operational level, men earn more than women across all levels. The majority of procurement professionals working at Operational level tend to be women, whereas we see more men working at Managerial level and above. As in our other reporting regions, the largest gender pay gap is seen at Advanced Professional level (52%). In addition, our report highlights a higher earning power for MCIPS members, who on average are paid 32% more than their non-MCIPS counterparts.

Average salaries by sector



Average salaries by gender



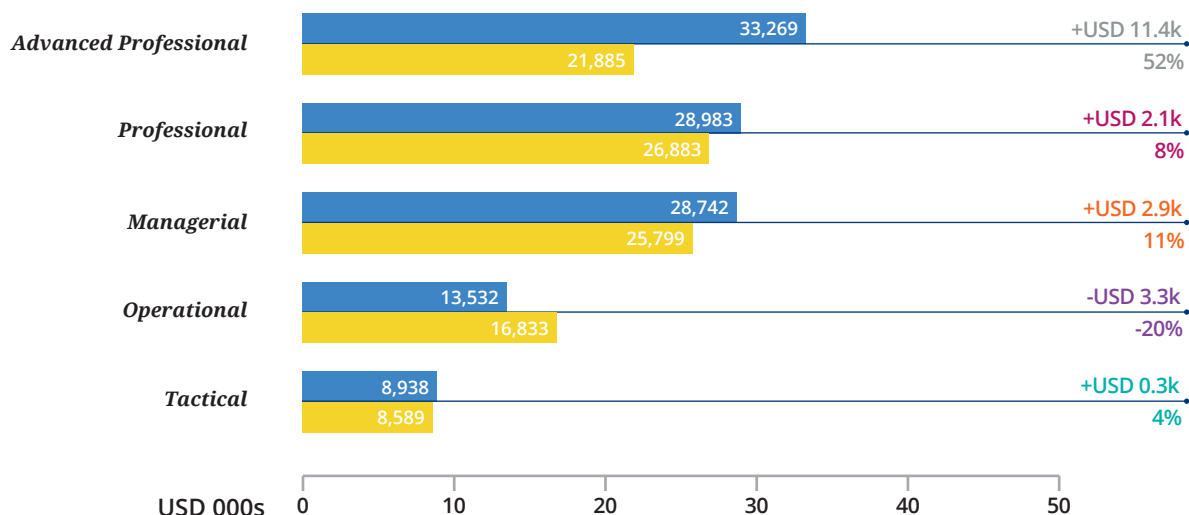
32% increased earning power of MCIPS members

MCIPS average salary **USD 23,301**

Non-MCIPS average salary **USD 17,632**

Average salaries by gender

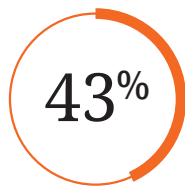
Male v Female average salary difference



Benefits

Private medical insurance

is the most common benefit



Private medical insurance



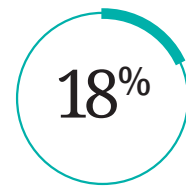
Life assurance/death in service benefits



Free mobile phone



Above statutory pension contributions



Long service award

As we see in South Africa and MENA, private medical insurance is the most commonly received benefit in the Sub-Saharan Africa region. However, support for study/career development does not feature among the top five benefits as it does in South Africa, with above average statutory pensions instead being a top benefit.

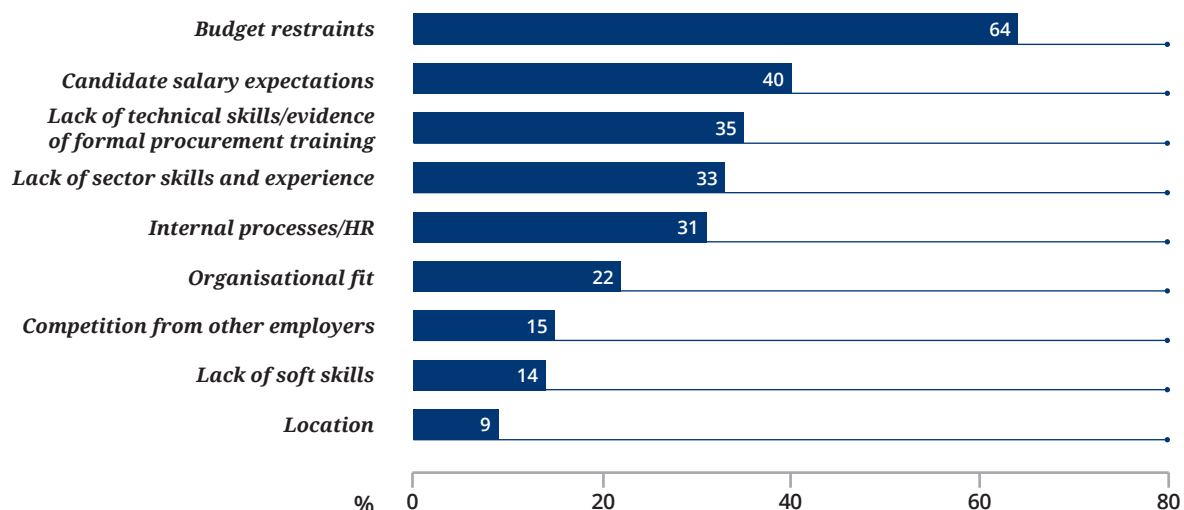
Finding talent

46%

FACED CHALLENGES IN FINDING THE RIGHT TALENT
in the previous 12 months

During the last 12 months, 46% of our respondents responsible for recruitment struggled to find the right procurement talent, and this is the lowest proportion of all the regions we surveyed. This is a positive finding and signifies a greater perceived availability of talent than in our other reporting regions.

Other challenges in recruiting the right talent



Importance of key skills

Negotiation and supplier relationship/management

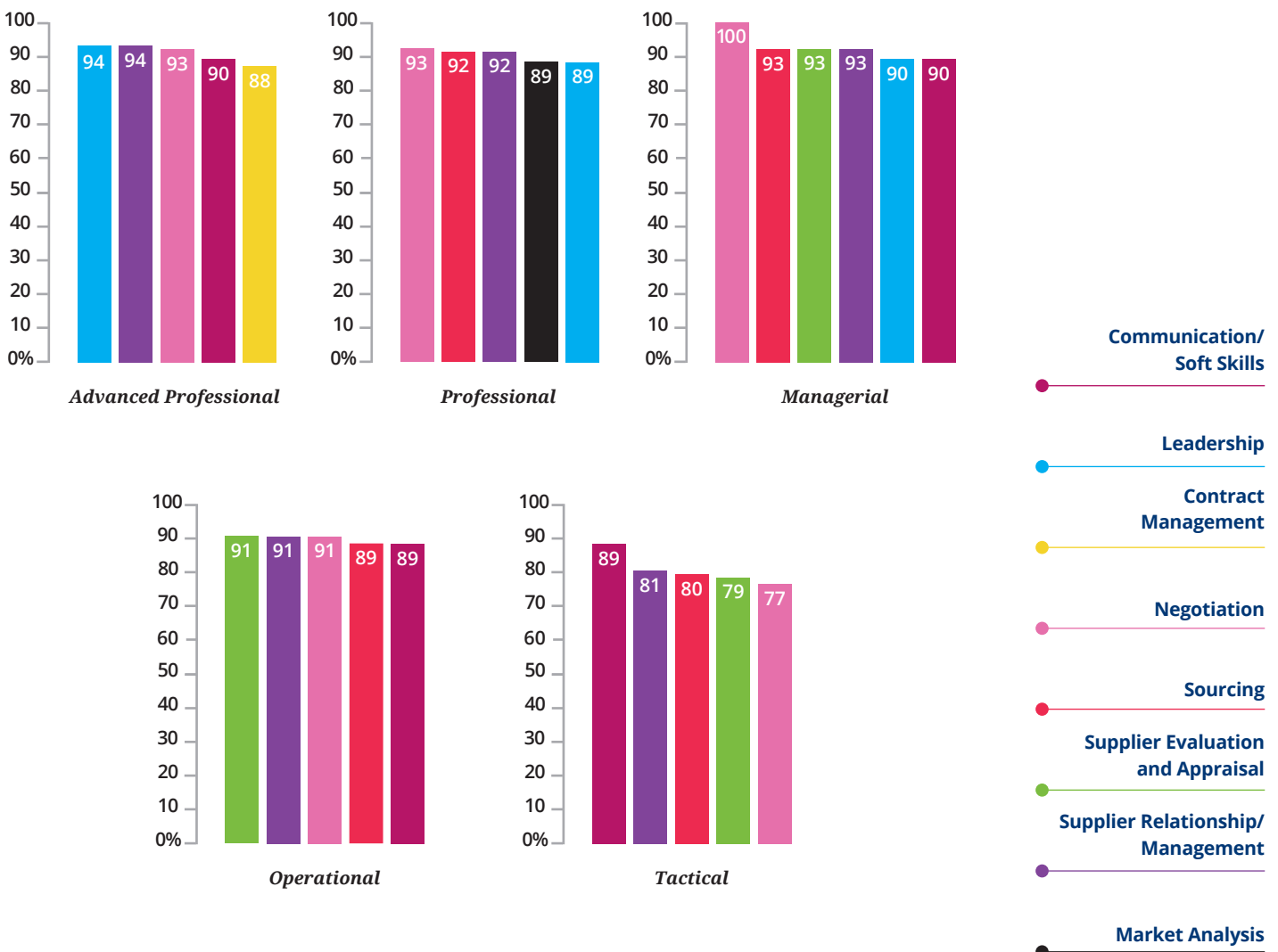
IN DEMAND AT ALL LEVELS

Sub-Saharan Africa is the only region where influencing does not feature among the top five most important skills. At all levels, we see negotiation and supplier relationship/management in the top five. This importance of supplier relationship/management may be a sign of a maturing procurement profession, as in less developed economies we tend to see a greater focus on acquisition.

As would be expected due to the nature of the roles, other notable survey findings include the following:

- Leadership is important at Advanced Professional, Professional and Managerial levels
- Communication/soft skills and negotiation are important at all levels
- Sourcing is important at all levels
- Supplier evaluation and appraisal is important up to Managerial level
- Unique to Advanced Professional level is contract management
- Unique to Professional level is market analysis

Top skills in demand by job level



Soft skills for procurement

David Loseby FCIPS

This year's report continues to reinforce the need for soft skills (Behavioural Procurement) in section 4 stating: Across all sectors, communication/soft skills remain the most important factors for procurement professionals to perform their job well: 82% of respondents in the Private Sector, 79% in the Public Sector and 85% in the Charity/Not For Profit Sector cited them as very important.

So, not surprisingly a recent piece of research*, consisting of survey(s) and interviews involving CIPS professionals reinforce this too. However, when people talk about developing their soft skills, what do they mean, and what are some of the real-life applications for practitioners? Defining what we mean by soft skills may be a good starting

point, especially as the links to CIPS revised Global Standard will be evident, at every level, where there is an interaction between individuals, groups of people and at the leadership level. The diagram below shows the main soft (people) skills our report discusses.

The results of the survey(s) showed some interesting outcomes, some of which had not been fully predicted, five key themes were identified:

1. Skills and competencies for highly successful and effective teams
2. Critical skills for jobs for the future
3. Innovation for competitive advantage
4. Relationship Management
5. Collaboration as a game changer

Some headline outcomes from the survey itself include:

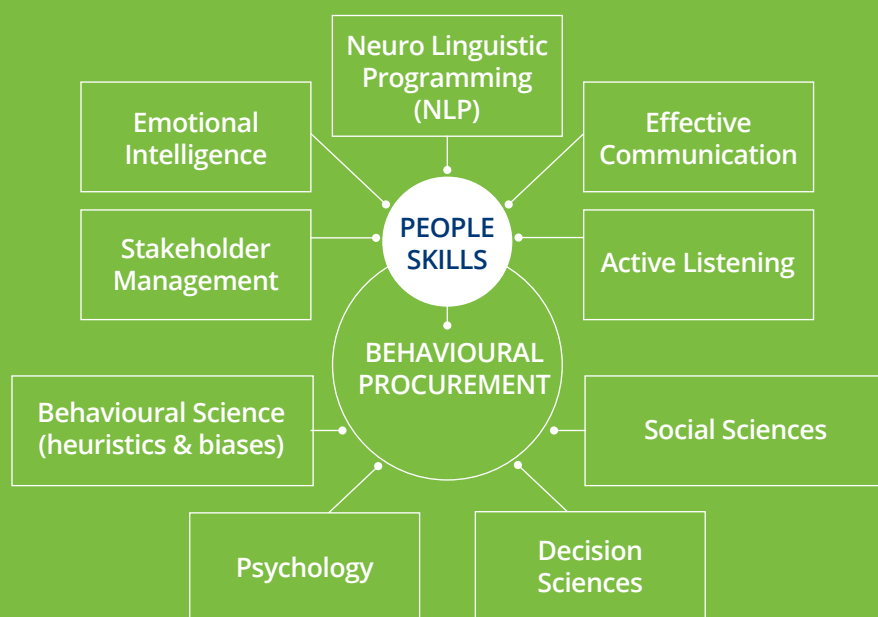
- 67% of those surveyed have received no formal training in any of the related soft skills
- 88% of those surveyed said that organisational decisions are not based on facts and data
- Only 23% of those surveyed totally agree that academia and institutions are delivering education and training for future skills and competencies in business and Procurement and Supply Chain Management (P&SCM)

The headline statistics should signal a call to action that current investment in soft (people) skills is not sufficient and needs to be addressed. It is therefore encouraging that we see an increase in spend allocated to this area of training and development.

From responses to the survey in February 2018, Collaboration along with Emotional Intelligence, Innovation and Problem-solving were the strong and dominant skills identified. The term collaboration has featured highly in all the key survey responses, and rightly so. These can be characterised by various collaborative states from those invoked by circumstance (tactical and enforced) to those of choice and design (project and strategic). Strategic Collaborations will create the greatest amount of value and will rely heavily on the behavioural skills and competencies of the professionals involved in them. Accordingly, this is the greatest competence differentiator that will attract the greatest rewards from employers in the future.

David Loseby FCIPS

Founder: Aquitaine Strategy
Adviser & Researcher at Wezard
– Collaboration Catalysts



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*Source: Behavioural Procurement Insights 2017 on-going research by David Loseby FCIPS

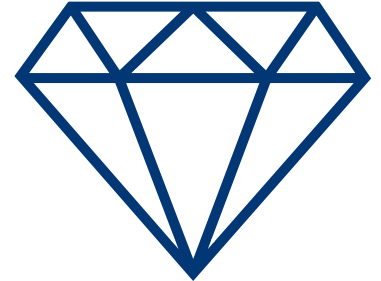
How procurement is viewed

86%

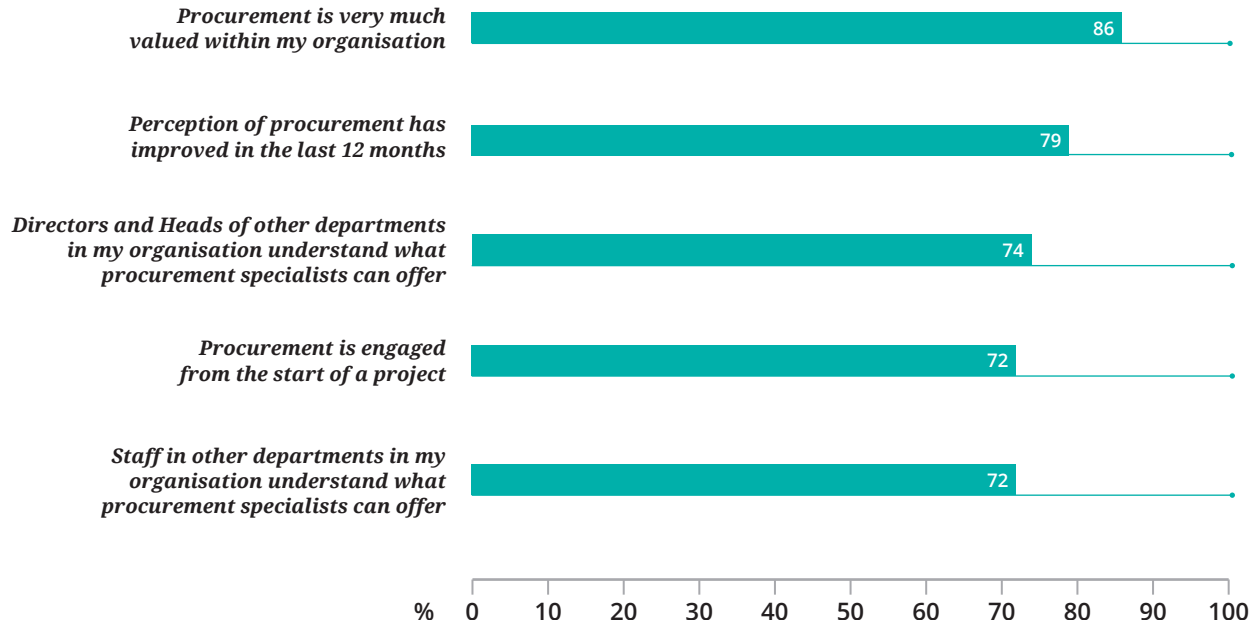
AGREE PERCEPTION OF
PROCUREMENT IS VALUED
*within their organisation
in the last 12 months*

Overall, the perception of procurement in Sub-Saharan Africa is a positive one, with 86% of procurement professionals feeling that procurement is valued within their organisation.

79% of respondents agree that this perception has improved in the last 12 months and 72% agree that staff in other departments understand what procurement specialists can offer. These are the highest proportions of all our reporting regions and could be due to increased recognition of the benefits of procurement being engaged early on. Meanwhile, 74% agree that Directors and Heads of other departments understand what procurement specialists can offer and 72% agree that procurement is engaged from the start of the project: these are the second highest proportions of all regions, second only to MENA.



How procurement is viewed



Conclusion...

Diversity is key to outcomes and successes

It is not a surprise that the procurement and supply chain market for talent continues to be buoyant. More and more of those at the top are recognising the value and skills of our profession and the direct contribution we can and do make to organisational purpose, strategic aims and objectives – well beyond costs and efficiencies.

But, despite our growing profile and reputation as enablers and innovators, it is sobering that we, as a profession, do not yet appear to be bucking the continued media headlines on the ever-present gender pay gap.

As individuals, we need to own our learning and development. We should be proactively equipping ourselves with the skills and qualifications we need to meet the emerging challenges of businesses with a key focus on commercial, leadership and what some refer to as 'softer' skills. We need to be self-aware and make time for continuous professional development, ensuring we invest in keeping our skills current and relevant - volunteering for projects or roles that will widen our knowledge, skills and networks.

As senior professionals and employers, we should not only be using our honed influencing and negotiating skills to address the matter directly within our hiring, reward and recognition policies. But, we should be looking at what we can do individually and collectively to actively encourage, enable, mentor or support diversity in all its forms within our procurement communities from entry level through to senior and executive leadership positions. We must also take the opportunity as procurement professionals to address ethical and fair work practices – including equal pay and the *living wage* – within our supply chains. Let's share our innovative procurement approaches and case studies in this space.

Attracting and Retaining Talent

In an ever-tightening budgetary environment, it is very clear that we do not often have the luxury to offer bonuses or reward packages and the report suggests that, "employers, in the fight for skills, are investing more in their own teams via benefits and training" and that there is a, "compelling reason for organisations to invest in talent retention strategies, building their teams from within and succession planning."

We should celebrate our unique skills and competencies and recognise that gaining more experience in our current roles, or a sideways move, will undoubtedly help us to develop the breadth and depth of experience required to operate competently at higher levels. By thinking about and planning our career trees and taking time to move and gain experience across different branches of learning, we will be better enabled to reach and operate effectively at higher levels than we could achieve by climbing straight up a career ladder too quickly. Honing and applying our emotional intelligence will strengthen our grip.

In addition to embedding policies to ensure that anyone committing or spending company or tax payers' money with third parties has the relevant skills, qualifications and experience commensurate to their authorised procurement authority – their license to procure - we must ensure our professionals stay current. We need to create and enable a learning culture and continue to invest in targeted development programmes to help attract and retain talent – with a particular focus on emotional intelligence and cross-functional collaboration.

And as a profession, we need to maintain our vibrant procurement communities, sharing and benchmarking our approaches and practices to ensure that we take full advantage of the impact that procurement can and does make within our respective economies.

Nikki Bell FCIPS

Chair of CIPS Congress

Member of the CIPS Global Board of Trustees

Deputy Director (Acting) and Head of Profession,
Scottish Procurement and Commercial Directorate,
The Scottish Government

The year ahead brings a number of challenges and uncertainty. However, with the right skills, the procurement profession will no doubt continue to rise to the challenge and establish itself as a vital component to the success of organisations. Improved diversity will play a role in this success, and procurement leaders must step up to both recognise and facilitate change to bring about a more diverse and equal workforce. Combine this with a focus on soft skills development, and the outlook for the pipeline of talent and future procurement leaders will be a positive one.

Scott Dance

Director
Hays Procurement & Supply Chain

About CIPS, the Chartered Institute of Procurement & Supply

The professional body

CIPS, a not-for-profit organisation that exists for the public good, is the voice of the profession, promoting and developing high standards of skill, ability and integrity among procurement and supply chain professionals.

Quality guaranteed

Our qualifications are recognised by OFQUAL in England and regulators in various countries, demonstrating that they meet specific quality standards.

The Global Standard

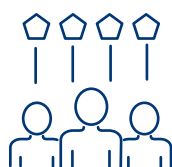
CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

A commercial organisation

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

A global community

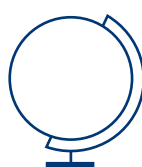
We are the world's largest professional body dedicated to procurement and supply with a global community of over 200,000 professionals in over 150 countries, and offices in Africa, Asia, Australia, the Middle East, Europe and USA.



Global Standard
FREELY AVAILABLE



Global network
OF OVER 200,000



...in over 150
COUNTRIES