

By Michael Power

THE SHIFTING WORK WORLD



Challenges and opportunities in supply chain employment

As the world of business evolves and new technologies, industries and skills emerge, supply chain professionals must also change to align with these developments. An ability to adapt to a developing business and employment world can affect a person's salary, where they work, what type of industry they choose and so on.

To look at trends in supply chain employment, and to discuss the results of *PurchasingB2B's* 2018 Annual Survey of the Canadian Supply Chain Professional, we asked several procurement and supply chain employment experts to weigh in on the survey results, employment trends and more.

In discussing the survey results Neil Drew, director at the recruitment company Winchesters, noted that salaries have increased in Ontario, where the organization does the majority of its business. Winchesters has also seen companies in Atlantic Canada seeking qualified candidates, Drew noted. While *PurchasingB2B's* survey saw the overall supply chain salary decrease from 2017 (see page 16), Drew had seen salaries increase in the regions that Winchesters does business—but

recruiters often deal with larger companies that can afford to pay their recruits higher salaries, he pointed out.

A healthy overall economy and labour shortages can help account for the increase that he's seen in the industry, Drew said. "People are investing more and more in procurement and there are more and

been increases in manufacturing, CPG and public sectors.

Wage gap persists

In 2018, as in previous years, women reported lower average salaries as compared to men. But while that gap appears in *PurchasingB2B's* survey each year, it's not

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—SAM MANNA, ALEXANDER HUGHES EXECUTIVE SEARCH CONSULTANTS

more people retiring and not many people looking,” he says. “If you look at your stats (in the salary survey), only 13 per cent are expecting to be in a different job in the next two years. So, high demand and lower supply equals high salaries just to get people to leave their companies.”

Predominantly, the services and financial services industries in Ontario are doing well, Drew noted. There have also

reflected in what he sees male and female candidates making, Drew says.

“I still don’t see it,” he says. “It’s not a recruitment thing. We don’t see companies offering men more money than women. If it’s out there, it’s happening within the role, for example salary increases and things. But even then, we don’t see significant differences when people come to us and tell us what their salaries are.”

There could perhaps still be more male procurement heads than females, leading to the highest salaries still drawn by men, Drew speculated. “But there are some very senior female procurement professionals out there, including heads of procurement, who are well, well paid,” he says.

When it comes to procurement skills, Drew notes that while hard skills remain important, softer skills are even more crucial when searching for new opportunities.

“The most important thing is those soft skills—communication with stakeholders, communication with vendors and obviously projecting information to CFOs and CEOs and that side versus just being able to procure a contract,” he says.

The slightly lower salary reported this year comes as a bit of a surprise, says Sean Naidu, principal consultant, procurement and purchasing at Hays Recruiting Experts Worldwide. From his experience, salaries haven’t increased and companies are looking for cheaper options. This is being driven by recent changes in government, for example in Ontario, trends

south of the border and similar factors.

“We’re having to negotiate with companies to try to up their numbers from where the norm is in the market and what people should be getting paid versus what they want to pay,” he says.

Organizations are also looking at procurement and supply chain professionals who are new to Ontario and other parts of Canada as a less expensive option for hiring, Naidu says. That means newcomers can enter supply chain positions in Canada at a lower level with opportunities to advance, rather than advancing internal staff to higher positions with more salary.

Naidu also stressed that the gender-based wage gap that survey respondents reported wasn’t reflected in what he saw among those looking either for employment or companies seeking candidates. Companies don’t ask for male or female candidates and employers stress that they provide the same salary for both. As well, many employers are looking for equal numbers of men and women, Naidu adds. “But from a recruitment standpoint I don’t see it at all.”

Market movement

Naidu noted that he has seen people looking to move from sales and administrative positions into purchasing. At the same time, there’s some movement from purchasing into sales or vendor management, which tends to be more people-focused. But the job market remains about the same with somewhat more opportunity at senior levels than junior, Naidu says. Many organizations are looking to boost efficiency and see a role for procurement in getting that done.

“They’re looking for someone to come into the business with a consultative approach, but driving procurement to identify the gaps and to look at cost savings and how to be more efficient. Procurement is driving a lot of those initiatives and working with other stakeholders in the business,” he says.

Naidu echoed Drew’s comment’s regarding what skills supply chain and procurement professionals should cultivate going forward. Personality and communication skills remain paramount—with the

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ability to interact well with vendors and stakeholders—along with a roll-up-your-sleeve attitude. “Personality traits trump everything,” he says. “Strategic thinking, thinking outside the box, versus being a very transactional individual, creative ideas, innovation and innovative thinking is probably the key.”

Regarding categories that are seeing hiring activity, Naidu points to technology and IT. There’s also a lack of available talent in marketing, including advertising and promotional agencies, along with communications organizations.

Sam Manna, a partner at Alexander Hughes Executive Search Consultants, also expressed surprise at the dip in salaries in this year’s survey, particularly in Western Canada. The hardships that the oil and gas sectors have suffered recently would help to explain the salary decrease there, Manna says. Another unexpected drop occurred in British Columbia, he adds, pointing out that natural resources, particularly lumber, has taken a hit recently in that province in recent years. “But I’m surprised to see that their average salaries fell lower than Ontario’s, given that BC has a higher cost of living than we do here (in Ontario),” Manna says.

Manna also predicted that the wage gap between men and women would likely shrink as more senior supply chain professionals retire and those roles are filled with the best available talent. “A lot of the best talent out there is female, so it’s almost gender blind,” he says. “Moving forward I’m hoping that I’ll see that (gap) less and less within supply chain.”

While jobseekers still look to improve their salary or title, many are also interested in intangible benefits like an improved work-life balance, the flexibility to work from home, more control over when and how they work, more vacation time and so on, Manna says. More candidates recently are willing to relocate to places such as BC, where the lifestyle is more laid back. “I’m starting to see a shift to work-life balance being the main reason why they’re looking to make a change, rather than looking to make more money,” Manna says.

This year has seen a more active job market than 2017, he adds. The opportunities available are for those who offer a more strategic approach. For example, more candidates are enrolling to earn the

Supply Chain Management Association’s SCMP designation, working towards an MBA or doing an engineering degree depending on their field. More companies are encouraging their employees to pursue such education by providing tuition fees.

Tim Moore, president and owner of Tim Moore Associates, also notes the salary decline in 2018 across Canada. He noted several factors potentially contributing to that drop, including a long-awaited correction in the tightening labour market, recent North American trade renegotiations and increasing fears of trade wars and tariffs.

While Moore notes that men show a 12-per cent higher mean salary than women, female supply chain professionals

have also seen a larger gain over the past three years than men. In fact, women’s average salary actually increased three per cent over the past year compared to the five-per cent drop that men saw.

Much of the salary dilemma is due to where candidates start from in their current or last position, whether they disclose this to a potential employer and how diligently they negotiate and promote the ‘value add’ they provide. Still, several other factors can negatively affect salary progression, including downsizing, budget cuts, the recession, or simply having a long tenure with a low-paying company.

“It all goes back to an adage I’ve been saying for years: “You never get paid how much you’re worth, you always get paid how well you interview, and then negotiate an employment agreement,” Moore says.

Canadian supply chain professionals are still changing jobs in an effort to increase their salaries, improve their proximity to home and work towards future career growth, he says. Regarding relocating, most candidates do so due to a particular industry fit, to work for a noteworthy employer or personal motivation and life changes.

When the oil and gas industry suffered from falling commodity prices, layoffs and instability many professionals left Alberta

for jobs elsewhere while family stayed behind, Moore says. Now, with strengthening prices, many are looking to return to Alberta.

“Yes, we’ve noticed a strong market out there, with manufacturers scaling up and adding production and capabilities,” he says. “It’s a great time to be a supply chain professional.”

Geopolitical specialists

Moore also touts the importance of soft skills. People, social and communication skills, along with emotional intelligence all help supply chain professionals achieve their goals. As well, the ability to assess global risk in the supply chain is gaining importance, Moore adds. Currently the

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—TIM MOORE, TIM MOORE ASSOCIATES

largest trend he sees is the rise of the geopolitical supply chain specialist. Increased protectionism, North American free trade talks, instability in the UK and the expansion and rise of China have all contributed to the ascent of this role, Moore says.

“More and more clients are coming to us to find them a seasoned veteran that can help them navigate new developments and strategically strengthen the stability in their global supply chain,” he says. “Trade wars, increased tariffs, taxes and restrictive quotas can all have an impact on the flow of materials and ultimately on production and process costs as well.”

Supply chain professionals must adapt to other risks as well, Moore says, including risks posed by technology such as utilizing Big Data and maintaining cyber security.

“Artificial intelligence will pose a monumental risk to organizations who are slow to adjust and adopt the new technologies instead of embracing them,” Moore says.

With so many shifts in the supply chain field, it’s never been more important for supply chain professionals to stay on top of advancing technologies and skill sets. Fortunately, the opportunities to improve those skills have never been more available. Truly, it’s a great time to be a supply chain professional. **B2B**