



NZ Employment Market Report 2021

Procurement

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The Market

Procurement channels across almost all sectors have been impacted by the disruption to global supply chains over the past twelve months, many significantly so. This widespread disruption has affected most businesses in New Zealand, either directly, or indirectly.

Services deemed essential such as Healthcare, Consumer Goods, Information Technology and Construction drove activity in this space. In contrast, many organisations that were unable to operate under the alert level restrictions internalised their resources, redirecting people and investment towards operational functions with a view to making up the losses when the restrictions lifted.

This 'hunkering down' stalled Procurement recruitment in these non-essential service-based and retail industries. Positively, we did see the demand for IT procured services increase with organisations seeking to stabilise their digital presence, security, customer offering and retail footprint.

As a result of lockdowns and travel restrictions, organisations developed and implemented risk mitigation strategies. Across the country, employers contemplated the trade-offs between cost reduction and downtime. Several organisations also alternated their sourcing strategies, creating a balance between onshore and offshore sourcing activities, and optimising inventory to remain competitive.

In addition, the development of new technology such as 3D printing also contributed to some businesses making decisions around production, as opposed to purchasing. However, due to the lack of experienced candidates in this sector and lack of appetite for new investment, we have seen a delay in many businesses adapting to these changes.

The concept of 'support local' gained momentum during this period. Additionally, the awareness around carbon footprint has seen consumers give greater consideration to the specific environmental impact their purchases have. This concept of social and environmental responsibility is increasingly tied into an organisation's talent attraction strategy and employer brand, with a growing number of candidates showing a strong preference to work for an environmentally conscious organisation.

As a result, many businesses are using their purchasing power to support values-based management decisions with an emphasis on economic, social, cultural, environmental, and public wellbeing outcomes, resulting in a demand for candidates with skills in these areas of Procurement.

Employers

As with previous years, employers who were on the lookout for mid-management Procurement candidates have seen a visible lack in experienced talent. Government agencies and organisations in sectors such as Construction and Infrastructure, Manufacturing, IT and Aged Care have been in competition to get the best talent in the market. With the added pressure on organisations and Government agencies to supply essential products to the market, the demand heightened for Purchasing/Supply Officers. Those with experience in the IT and Property industries were also in high demand, along with middle management level Procurement roles and Project Managers.

The need to manage internal customers and build long-term strategic relationships with suppliers has driven a requirement for candidates who possess relationship building and stakeholder management skills.

Unsurprisingly, the 'hit the ground running' nature of roles in this space signified a continued need for candidates with end-to-end Procurement experience, a commercial focus and sound business acumen. 'Hourly-rate' contractors have been in less demand, with more organisations choosing to hire on a fixed-term basis.

The lack of many offshore candidates has reduced the candidate pool, making it tough to locate certain specialised skills in New Zealand. As a result, we find ourselves in a candidate short market, with the Government adding Procurement Managers to the Immigration skill shortage list.

Candidates

Candidates were doing more due diligence on organisations before making a move, as job security became increasingly important. They were open to moving regions to improve their work/life balance, however they were not always open to a decrease in salary to achieve this. Generally, candidates in this space have been realistic with their salary expectations, placing more emphasis on the organisation's culture, and their career advancement opportunities. There has been a good number of applicants in the market, however, many have been lacking the required skill and experience employers were looking out for.

Procurement candidates were looking for flexible work hours and were also focused on organisational culture, work environment and strong, supportive leadership.



- MADISON RECOMMENDS -

With the lack of experienced candidates in the market, there will be an ongoing candidate shortage. To combat this, organisations should provide training and development opportunities to upskill candidates internally.

