

# New people, new expertise

by Tom Toard

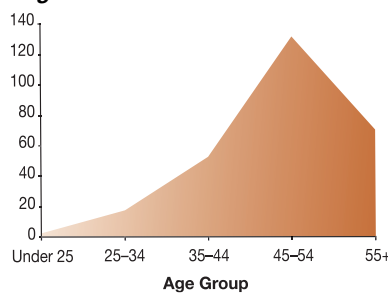
## Procurement professionals survey analysis (part 2)

**I**N OUR PREVIOUS article, we outlined some of the general issues in the area of procurement, based on the survey research Talentmap conducted in July 2007 in partnership with *Summit* magazine. In this installment, we further analyze this data to understand how people in different phases of their careers perceive the role of the procurement professional.

The current age distribution of the procurement professionals who responded to our survey represents a mountainous problem. There are far more people in the profession who are over 45 years old than there are under 45. In fact, there are almost as many people in the age range between 45 and 54 as there are in all the other groups put together.

Much more critical is the fact we reported last time, that a large percentage of the knowledge base developed by senior professionals through experience is about to exit the workplace. Over half of the respondents

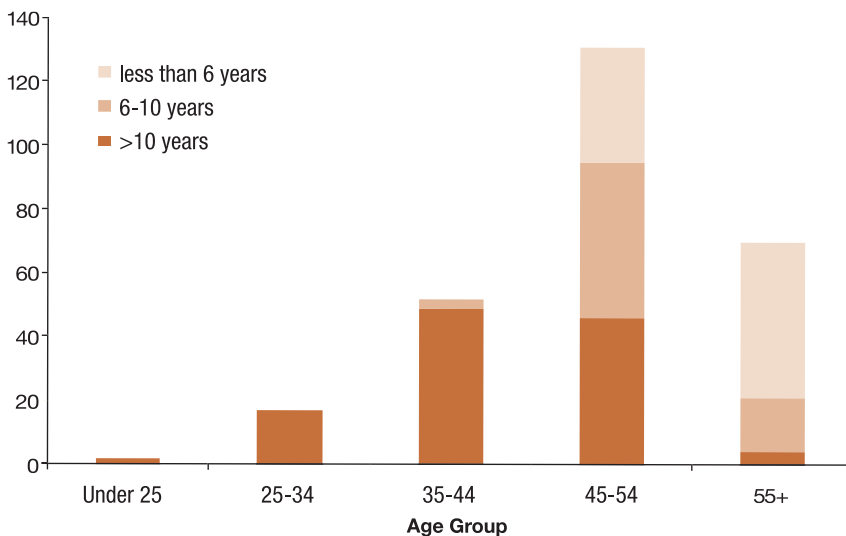
**Diagram 1. Plans to retire**



in the age group 55 and over intend to retire in the next five years and over half of the entire workforce indicates they intend to retire in 10 years or less.

The result of this exodus will be a significant loss in organizational knowledge about procurement. Given that looming loss, what are some of the critical differences between the experienced departing workers (Old Guard) and the young up and comers (Young Guns)?

**Diagram 2. Years to retirement**



### About our research:

The purpose of this research is to understand current and future opportunities/concerns in the procurement profession. Talentmap and *Summit* magazine surveyed 18,000 purchasing professionals and received 499 responses (38 percent federal, 26 percent provincial, 16 percent municipal and 20 percent other (healthcare, education, etc.)).

The survey ran online from June 22 to July 9, 2007 and also in the June 2007 issue of *Summit* magazine. It was administered by Talentmap in partnership with *Summit*. The results are accurate to a  $\pm 4$  percent, 19 times out of 20. The survey covered employee engagement and looked at human resource issues now and 5 years from now. The scope of topics covered ranges from general industry characteristics and trends to specific human resource challenges and practices. Key areas explored include:

- the current and future employment profile of occupations in the sector;
- the current and future skilled worker demand and supply;
- the current levels and types of supply chain training and future needs; and
- current human resources strategies.

### Young Guns and Old Guard are different

Looking at the questions in our survey, we find five areas with significant gaps between the Young Guns and the Old Guard. Some of these items are life cycle or "career cycle" issues. For example, "I believe my career aspiration can be achieved at this organization" has a very different relevance for someone approaching the end of a career than when they are at the start or in the middle. Others (e.g., My senior management values the work procurement professionals do) continue the theme raised last time about the general perception of procurement in the larger business environment. The most critical item from our perspective, however, is the one that says, "At work, I have the opportunity to do what I do best every day." The Young Guns clearly do not find the work environment as rewarding as their older counterparts.

An additional data point, which supports this last concept, comes from a view of where the Young Guns were least satisfied. Two items, "My immediate manager sets clear goals and objectives" and "This organization inspires me to do my best work" have favourable ratings of only 48.7 percent and 51.3 percent respectively. Both of these values are well below the Talentmap benchmark ratings for similar items. Low favourability ratings in these types of items can indicate a real disconnect between individuals and their organizations. We recommend that organi-

**Diagram 3** (Percent favourable)

	Under 45	45-55	Over 55	Gap
I believe my career aspirations can be achieved at this organization	43.6	51.1	64.3	20.7
I am satisfied with my senior management/oversight body	38.1	49.2	58.0	19.9
My senior management values the work procurement professionals do	39.4	62.0	57.2	17.8
My immediate manager sets clear and measurable goals and objectives	48.7	60.0	64.3	15.6
At work, I have the opportunity to do what I do best every day	56.4	54.6	71.5	15.1

zations interested in reducing the impact of the exodus consider these areas as ripe for development. Moreover, this is not exclusively a problem for Young Guns since members of the Old Guard do not rate these items as highly favourable either.

### Learning opportunities

According to our data there are less than 10 years to get the Young Guns sufficiently familiar with the tasks of a senior procurement expert. Obviously this means an active training process must be developed to transfer knowledge from the organization's knowledge base to new workers and other workers yet to be hired. Our survey had numerous items designed to determine how much

**Diagram 4. What types of formal processes are in place in your organization to transfer knowledge? (Percent response)**

	Under 45	Over 55	Difference Gap
Mentorship program	18.10	41.40	23.30
Formal certification training program (external)	20.20	41.40	21.20
Online training	24.50	44.30	19.80
Online support	8.50	25.70	17.20
Secondment	24.50	38.60	14.10
Succession planning for procurement organization	14.90	28.60	13.70
Formal certification training program (internal)	20.20	25.70	5.50
Structured intern program	12.80	17.10	4.30

training and what kind of training was occurring with the sample. When participants were asked to indicate which types of train-

ing were present in the organization, the Old Guard consistently indicated that various types and modalities were present far more often than the Young Guns.

This disparity suggests that the Young Guns do not perceive that different training modalities are as readily available as the Old Guard. Part of this difference may be due to the fact that with longevity comes exposure to more opportunities but there are some elements here that bear special attention. Research and development has shown that active "real work" jobs produce the most effective type of learning. However, the Young Guns report that programs directly related to this type of learning are not readily available. The difference regarding the presence of a structured internship program, which is one type of "real work" program, is not too great. Only 12.8 percent of the Young Guns feel it is present while 17.1 percent of the Old Guard endorse its presence. However, the gap is much greater when we consider secondments and succession planning as learning opportunities. Here the difference between the Old Guard and the Young Guns is closer to 15 percent. Both of these are extremely impactful learning methods which can be relatively low cost. It appears the industry is overlooking this opportunity to develop its Young Guns with real life experience. We recommend that members of management actively look for opportunities to use these two tools.



**Diagram 6. What types of formal processes are in place in your organization to transfer knowledge? (Percent response)**

	<b>Under 45</b>	<b>Over 55</b>	<b>Difference Gap</b>
Mentorship program	18.10	41.40	23.30

The survey also attempted to assess which types of content each group had been exposed to. Using items where participants indicated whether or not they had experienced training in a specific topic, we found two interesting results. First both Young Guns and Old Guard indicate that there were two important areas (lifecycle costing and commodity management) where they had not had sufficient training. These are areas organizations should consider developing for everyone.

This analysis also suggested that there were five areas where the Old Guard perceived they had experienced much more training than the Young Guns. These appear to be basic skills areas and if we expect the Young Guns to be able to do the job well, this training needs to be delivered. The list below identifies these areas.

**Diagram 5 (Percent response)**

<b>Please indicate training received</b>	<b>Gap</b>
Administration support functions	26.4
Contract Management	33.3
Tender/ RFP Preparation	23.7
Contract Negotiations	27.1
Manage Procurement Staff	32.7

### Leadership from the Old Guard

If you refer back to the table reporting the different modalities of learning (Diagram 3), you will find that the largest perceived difference is in whether or not a mentorship program is operating in the organization. We think this is the most distressing finding from the survey. It appears that while many of the Old Guard (41.4 percent) believe there is some kind of mentoring program in place, very few of the Young Guns see the same situation (18.1 percent).

We know that most of the knowledge transfer that needs to occur must be done on a person to person basis with experienced experts helping newcomers learn things for the first time. This result may indicate that this process is not happening. We strongly recommend that the Old Guard ask themselves the question, “What are the compo-

nents of our mentoring program?” and then ask the Young Guns around them the same question. The opportunity is readily available to make changes now so that everyone understands what mentoring is and how to accomplish it before the opportunity is gone. Let’s make it happen.

*Tom Foard is an organizational psychologist and a senior technical advisor at Talentmap. He has extensive experience in executive development and coaching with a specific focus on leadership development. He also has experience as a senior human resource executive in mining and high tech organizations. He uses his training and experience to provide Talentmap with development advice from both a methodological perspective and from a real world operations perspective. Tom holds a Ph.D. in psychology and is a member of the College of Psychologists of Ontario.*

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