

# PROCUREMENT SERVICES SA CAPABILITY DEVELOPMENT STRATEGY

2021-23



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# Introduction

## Capability Development Strategy

Procurement Services SA's Capability Development Strategy 2021 – 2023 draws on recommendations from the South Australian Productivity Commission's Final Report: Inquiry into Government Procurement Stage 1 and Stage 2. This strategy reflects the emerging trends in the sector, future procurement and contract management skills and the next generation of capability development opportunities.

Procurement Services SA is committed to building the procurement and contract management capability of the South Australian Public Sector and promoting procurement as a strategic function critical to government service delivery. Procurement and contract management capability is about matching the persons, resources, systems, and processes to the requirements of the procurement activity - ensuring suitable expertise is in place to carry out the procurement successfully.

## Strategy Scope and Purpose

This Strategy applies to all personnel with a role to play in the procurement and contract management of goods and services within South Australian Government and is seen as a critical tool to support delivery of Procurement Services SA's procurement objectives.

It provides an important opportunity to not only influence recognition of procurement as a profession, but to also set appropriate standards for both the procurement-specific skills and professional competencies required to manage procurement and contract management activity effectively, from junior staff entering the profession through to strategic-decision makers.

## Our Workforce Capability Development Vision

Our vision is for South Australian Government public authorities to have a highly qualified, technically skilled workforce of procurement and contract management professionals. Investing in this Strategy will ensure the procurement and contract management functions within public authorities remain strategic enablers of overall value for money and promote procurement as a profession of choice.

## Procurement and Contract Management - a Critical Business Function

The South Australian Government spends over \$11 billion a year on purchasing goods, services and construction works. This is equivalent to approximately 10 per cent of the gross State product. Building the capability of the State's procurement and contract management workforce will empower public authorities to confidently engage with industry, clients and communities, to innovate and take balanced risks and contribute to improved value for money outcomes for government services.



# Reporting and Performance Measures

## Procurement Activity Reporting System (PARS)

This Capability Development Strategy will be regularly reviewed and used to inform workforce planning, capability, and succession planning, record existing formal learning, and identify future capability development opportunities.

This information will be captured through the Procurement Activity and Reporting System (PARS) and include capability data such as the types of mandatory and non-mandatory training being undertaken, qualifications achieved, and the various procurement and contract management roles and position levels held across all public authorities.

## Capability Development Strategic Goals and Targets

### Leadership

- **Goal 1: To ensure we have high calibre leaders in the profession**
  - Target: All Heads of Procurement have undertaken professional development in leadership from 31 December 2021 onwards
  - Target: All Heads of Procurement in a role with a significant procurement focus holds full memberships to the Chartered Institute of Procurement and Supply (MCIPS) or a professional qualification at advanced diploma level or higher by 30 June 2023.
  - Target: Heads of Procurement and senior managers actively engage with established Communities of Practice to share learnings, best practice and advise on improvements to procurement practices

### Talent and Recognition

- **Goal 2: To attract people to the profession and ensure talent retention**
  - Target: To support the sustainability of the profession and attract individuals with transferrable skills who will be trained in the profession, Procurement Services SA will establish a recruitment pool by 1 July 2021.
- **Goal 3: To ensure public authorities are investing in the professional development of procurement and contract management staff**
  - Target: Target of 20 hours of professional development activity per procurement and contract management FTE per calendar year.
  - Target: Each public authority has developed an annual Capability Development Plan (tailored to their public authority needs) and includes opportunities for recognition from 2022 onwards.
  - Target: Each public authority has undertaken an annual capability development assessment which may be informed by the PSSA Capability Development Matrix.

### Highly Qualified Workforce

- **Goal 4: To have a highly skilled and qualified workforce**
  - Target: Increase the number of the workforce achieving a CIPS Diploma or full memberships to the Chartered Institute of Procurement and Supply (MCIPS), or equivalent professional certifications, held by the workforce.
  - Target: Develop a workforce profile across public authorities by 31 December 2022.
  - Target: All Public Authorities provide Procurement Services SA with an annual report which reflects their respective investment in workforce capability development, including the 70/20/10 model approach.

### Targeted, Personalised Learning

- **Goal 5: To offer a diverse capability development program with a mix of short and long-term capability development opportunities**
  - Target: Procurement Services SA will offer a broad range of training courses and other professional development opportunities which provide flexible, self-tailored learning options.

# Capability Development Strategy

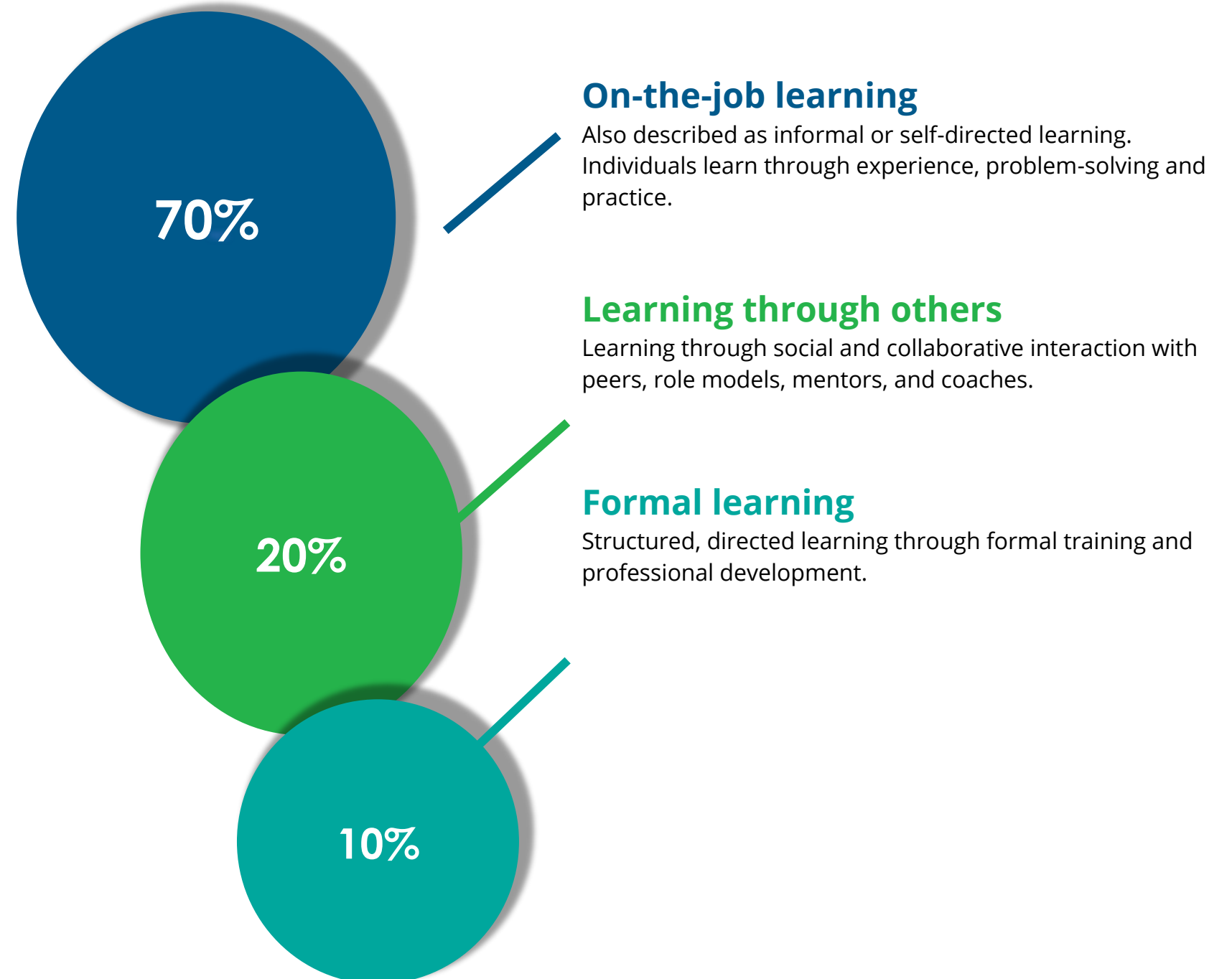
## Overview – 70/20/10 Learning Principles

As public authorities seek to deliver more strategic value-for-money outcomes for South Australia, investment in workforce professionalisation is vital. Procurement Services SA's capability development approach is based on the 70/20/10 learning principles. The 70/20/10 model is "based on the principle that 70% of learning comes from experience, experiment and reflection; 20% derives from working with others and 10% comes from formal interventions and planned learning solutions".<sup>3</sup>

**On-the-job learning (70 %)** is the greatest benefit to employees' training because it enables them to discover and refine their job-related skills, make decisions, address challenges, and interact with influential people such as bosses and mentors within work settings. They also learn from their mistakes and receive immediate feedback on their performance.

**Learning through others (20%)** by a variety of methods including social learning, coaching, mentoring, collaborative learning, and other methods of interaction with peers. Encouragement and feedback are prime benefits of this valuable learning approach.

**Formal learning (10%)** the formula holds that only 10% of professional development optimally comes from learning through traditional courseware instruction and other educational events, a position that typically surprises practitioners from academic backgrounds.



# Leadership

## Importance of Leadership

Leadership is an integral part of this Strategy and key to maximising the value of the procurement function across government. Heads of Procurement and personnel in leadership positions play a pivotal role in inspiring and motivating their teams. It is essential that our leaders have the appropriate leadership skills to guide the profession within their public authorities. Public authority Heads of Procurement will be champions of the profession and suitably skilled in leadership.

## Communities of Practice

Procurement Services SA will support the establishment of Communities of Practice. These Communities of Practice will provide a forum for sharing learnings, best practice and advise on improvements to procurement practices.

## Leadership Professional Development Opportunities

Through the CIPS Digital Academy and the Procurement and Contract Management Capability Development Training Provider Panel, Procurement Services SA will promote a comprehensive range of leadership programs, qualifications and training aimed to lift the professional capability of the South Australian Government's cohort of procurement and contract management leaders.

## Public Authorities Leadership Role

Procurement and contract management capability is about matching the person, resources, systems, and processes to the requirements of a procurement activity.

Public authority leaders play a key role in investing in the professional development of their staff and uplifting the overall capability of the South Australian Government's procurement and contract management workforce.

Leaders should ensure their staff are aligned with procurement activities that match their individual procurement-specific and professional competencies and reflect the risk and complexity level of the procurement—ensuring sufficient expertise is in place to carry out the procurement and contract management successfully.

Where skill gaps are identified, as part of regular performance and development discussions with staff, leaders should consider development opportunities in-line with the 70/20/10 model.



# Talent and Recognition

## **Attraction, Identification and Retention**

Procurement Services SA will offer a broad range of capability development opportunities and initiatives to ensure the South Australian public sector attracts and strengthens the quality of the procurement and contract management profession.

To support the sustainability of the profession, Procurement Services SA will establish a recruitment pool of procurement and contract management roles aimed to identify and attract individuals with transferrable skills to be trained in the profession.

To ensure a consistent and best practice approach to the recruitment of procurement and contract management staff, Procurement Services SA will continue to collaborate with the across jurisdictional Australasian Procurement and Construction Council (APCC) to promote the profession nationally and identify essential capabilities, qualifications and skills required for each role type.

## **Importance of Recognition**

Recognition has a broad range of organisational benefits - it can uplift employee job satisfaction, boost morale, enhance team spirit, increase productivity, and assist with retention. Public Authority Heads of Procurement and senior managers are encouraged to embed a culture of recognition as part of their leadership.

One way this can be achieved includes notifying Procurement Services SA when employees have excelled academically in completing a procurement or contract management qualification or when procurement teams have been recognised through external means e.g. CIPS awards. If notified, these achievements will be further recognised through a signed certificate by the Executive Director of Procurement Services SA. Public authorities will be invited to share their good practice at future Communities of Practice meetings.



# Highly Qualified Workforce

## Mandatory Training

In accordance with the South Australian Government Procurement Framework, the following training is mandatory for public authority personnel managing procurement planning and managing contracts.

Training	Frequency	Transactional	Routine	Complex	Strategic
Procurement Planning					
Industry Engagement	3 years	Optional	Optional	Required	Required
Contract Management					
Principles of Contract Management	2 years	Required	Required	Required	Required
Advanced Contract Management	2 years	Optional	Optional	Required	Required

## Qualifications

Procurement Services SA will promote procurement and contract management qualifications at a range of levels. Public authorities play a pivotal role in supporting the professional development of their staff, including allowing time away from the office to attend and participate in learning opportunities.

## CIPS Corporate Award and Professional Programs

Procurement Services SA has implemented a CIPS Corporate Award Program catered towards South Australian public sector staff. The Program is divided into two levels, the first being an entry level whereby staff can obtain a CIPS diploma. The second level targets senior procurement professionals to assist them in achieving a full membership status of CIPS (MCIPS). MCIPS is a globally acknowledged award that recognises a professionals' formal qualifications combined with work experience.

Procurement Services SA recognises the value of professional certification and encourages public authorities to support their staff to achieve this through Chartered Institute of Procurement and Supply (CIPS) or equivalent.

## Professional Memberships

Procurement Services SA encourages public authorities to subscribe to professional associations and memberships which provide access to resources such as articles, webinars, conferences, networking opportunities and generally assists with keeping up to date on best practice within the sector both nationally and internationally.





# Targeted, Personalised Learning

## Capability and Skills Gap Analysis

Procurement Services SA will facilitate a Capability Assessment and Skills Gap Analysis, benchmarking South Australian public authority employees against the CIPS Global Standard in procurement and supply using an online assessment tool. This tool will assess individual's procurement confidence and knowledge across 11 key themes and once completed, the results will provide a guide for public authorities and managers of the strengths and development needs across their team, along with a personal report for individuals which provides structure for their personal development plan.

## Assessment and Customised Learning

Procurement Services SA will offer a broad range of capability and development opportunities tailored to meet individual needs recognising that people learn in different ways and have different learning preferences depending on their career stage and personal circumstances.

The Procurement Services SA online Learning Management System "the **Capability Development Portal**" will enable access to online, on-demand eLearning courses. Courses to be available through the Capability Development Portal will grow, overtime, and will initially include:

- Introduction to the South Australian Government Procurement Framework
- Introduction to Procurement Governance
- Introduction to Procurement Planning
- Introduction to Sourcing
- Industry Engagement.

Informed by the results of the Skills Gap Analysis assessments Procurement Services SA will offer additional targeted training and development opportunities through the Capability Development Portal to bridge those gaps. This includes access to the CIPS Digital Academy which provides customised learning programs in procurement and supply and hosts a large range of content items in a range of formats including eLearning, videos and podcasts. A free CIPS Associate Membership is provided to those purchasing the full Digital Academy suite.

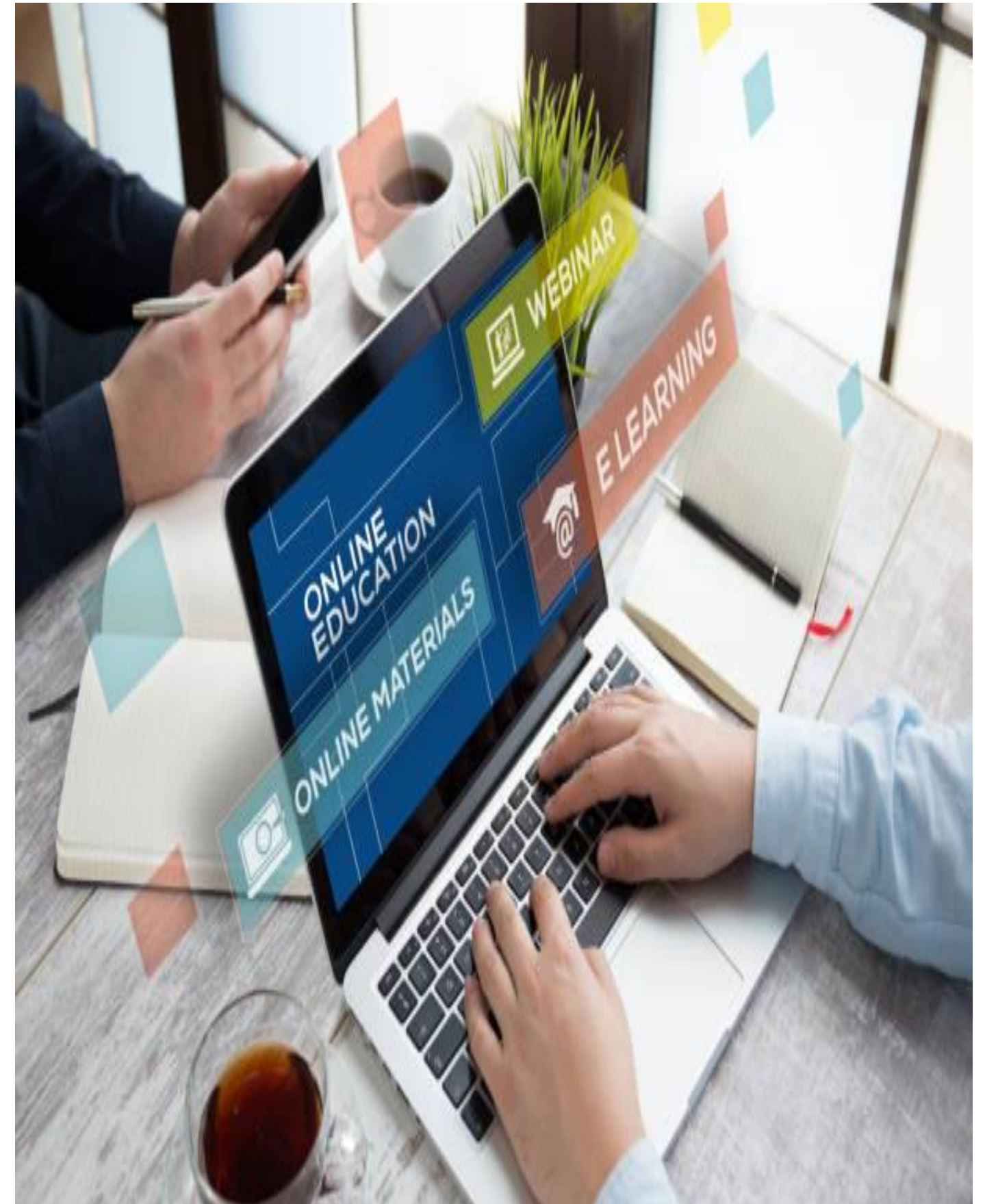
Procurement Services SA will continue to offer a range of face-to-face training courses on an as needs basis. Registration for these courses can be purchased through the Capability Development Portal.

## Role Specific Capabilities

To compliment the capability development program, Procurement Services SA has developed a procurement role guide and road map based on the 70/20/10 development model that:

- sets out the procurement-specific and professional competencies required to manage procurement and contract management effectively according to individual roles
- provides the scaffolding for public authorities to further compliment their own in-house training
- outlines a clear career pathway for individuals seeking to enter or further their career in this dynamic profession.

Examples of the types of capabilities, qualifications and suggested development opportunities required are provided for various roles in procurement, including contract management, category management, and other specialist roles.



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