



RINGA HORA

Services

Workforce Development Council

What makes the Service sector resilient?



Contents

2	He rau ringa e oti ai Many hands make light work	10	Values bring value to the Service sector
3	Executive summary	11	The Service sector is a mobile workforce
4	Our research weaves together qualitative and quantitative insights about resilience and mobility in the Service sector	15	A diverse mix of people and skills helps stabilise the Service sector
6	The Service sector is woven through communities across the motu	16	Next steps: Our research supports further exploration and action to enhance Service sector resilience and mobility
8	People and businesses in the Service sector demonstrate resilience in many ways	19	If you would like to know more about our research
9	The Service sector is built on connections between people		



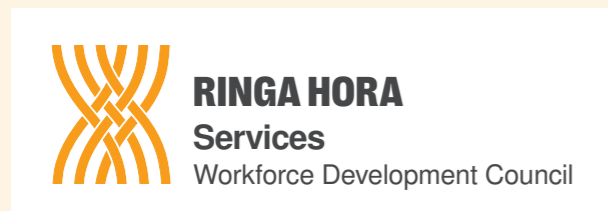
He rau ringa e oti ai

Many hands make light work

For many people and businesses within the Service sector, the past two years have been incredibly challenging. It is more important than ever before for businesses to actively focus on their workforce.

We are proud to share the findings of our research about resilience and mobility in the Service sector, against the context of the COVID-19 pandemic, and with a focus on Māori views and experiences.

For this kaupapa, we partnered with two organisations who bring mana and expertise to deliver high quality insights.



Ringa Hora Services Workforce Development Council is one of six Workforce Development Councils established as part of the Reform of Vocational Education (RoVE). Our aim is to support the Service sector to tackle skill shortages, adjust to the future of work, build a strong skills base, and have the right training available at the right time. This is achieved by forging deep connections with industry, iwi, hapū, Māori businesses, and other collaborators.

Scarlatti is an evaluation and analytics firm, with over ten years' experience undertaking quantitative analysis into the workforces of New Zealand. The team have a wealth of knowledge when it comes to using Statistics New Zealand's Integrated Data Infrastructure (IDI) and drawing out valuable insights.



Te Amokura Consultants specialise in policy, engagement, strategy, communications, and growing cultural competency through understanding Te Tiriti o Waitangi and a te ao Māori worldview. The team have a strong network of connections within Māori communities across the motu. Te Amokura exists to drive and provide better outcomes for Māori.

Executive summary

Our research weaves together qualitative and quantitative information, with a particular focus on Māori views and experiences, to understand resilience and mobility in the Service sector. It has been undertaken with the support of funding from the Tertiary Education Commission, and in collaboration with Te Amokura Consultants and Scarlatti.

This document shares selected findings and we encourage you to read the accompanying reports and explore these analyses further.



Our research has grappled with the complexity of defining who is counted in the ‘workforce’. In this mahi, we have started exploring the impact of removing thresholds that would typically exclude some important groups, including those who are in increasingly prominent ‘non-conventional’ patterns of work. For example, a cleaner who works for 5 hours each week of the year while also caring for whānau. In many cases the difference is significant – notably the number of employees increases by approximately 250,000 people when taking a very broad approach.



We have a focus on Māori in the Service sector. However, we are not seeking to describe a single Māori perspective. We recognise that views and experiences of these concepts are diverse and complex and Māori cannot be taken as a singular voice or view.



The Service sector provides employment opportunities for at least **920,000 people.**

This includes 810,000 employees and 110,000 self-employed and employers.



370,000

Service sector businesses across the motu – of which at least 6,700 are Māori-owned, while at least 5,200 are significant employers of Māori.



There are approximately **180,000 Māori in the Service sector.** This is at least **14%** of the total workforce, but with significant variation between industry groups.



The workforce size could be as significant as 1.17 million people when including the non-conventional workforce (such as part-time, temporary, and seasonal employees).

Our research has highlighted the importance of four intertwining dimensions of resilience in the Service sector

- **A deep sense of purpose and values-alignment underpins people’s choices and experiences in the Service sector.** We heard from Māori in the Service sector that the purpose and drive behind their mahi was deeply intertwined with their Māoritanga and often provided the foundations for what they defined as resilience.
- **The Service sector is built on connections between people.** We heard about the significance of relationships in bringing people together – through working as a collective during times of adversity or turning to whānau and local communities when recruiting people. We also heard that there is an unmet demand for networks and support that share information and foster connections in a way that is grounded in Māori values and perspectives.
- **The Service sector is a mobile workforce.** At least 65% of all New Zealanders have worked in the Service sector at some point in their life. The overall workforce size is relatively stable, but people within the Service sector are highly mobile. They demonstrate resilience through their ability to pivot as many people seem able to move quickly and easily between jobs, employers, industries, and sectors.
- **There is a diverse mix of people and skills in the Service sector.** The Service sector is an accessible option for many, with the workforce being largely representative of New Zealand in terms of age, gender, ethnicity, and regional distribution. A diversity of people and skills forms an adaptive and responsive workforce that in turn helps businesses to innovate during difficult periods.

Ringa Hora will work with, alongside, or in support of industry, iwi, hapū, Māori businesses, and other collaborators to progress meaningful action.

In light of these findings, it is clear that we need to:

- further amplify Māori success in the Service sector.
- continue exploring the characteristics and dynamics of the workforce, including the impact of different data definitions on workforce size, composition, and needs.
- explore ways to enhance and showcase the value of the Service sector, ensuring that is an attractive choice.
- unleash the potential of the workforce, including different ways of supporting people to enter the workforce while also pursuing new ways of working and innovative approaches to developing and recognising the range of skills that underpin a resilient and thriving Service sector.

Our research weaves together qualitative and quantitative insights about resilience and mobility the Service sector

This document shares selected findings from research that explores resilience and mobility in the Service sector, against the context of the COVID-19 pandemic, and with a focus on Māori views and experiences. Although out of scope for this particular project, we also recognise there is value in exploring what resilience looks like for Pacific people and Tāngata Whaikaha | disabled people. The research was carried out in the second half of 2022.

We want to acknowledge funding to deliver this project from the Tertiary Education Commission’s [WDC/Transitional ITO COVID-19 Response Projects Fund](#). The support has allowed us to partner with teams that bring mana and expertise in qualitative and quantitative insights; Te Amokura Consultants and Scarlatti.

This document is accompanied by reports prepared by Te Amokura and Scarlatti that dive deeper into their respective methodologies and insights about the Service sector.

The concepts at the heart of this research – resilience and mobility – are difficult to define. There is no concrete definition, and we did not seek to create one. Instead, this research is an exploration of the characteristics and dynamics of those working in the Service sector, and how resilience has been shown to us through the different streams of evidence.

We have also grappled with the complexity of defining who is counted in the ‘workforce’. This type of quantitative analysis would typically focus on people who work a minimum of 30 hours per week and for at least 1 month of a year. We refer to this group as the ‘core’ workforce. However, we know that these thresholds exclude some important groups, such as those who are temporary, seasonal, or working in increasingly prominent diverse patterns of work. For example, it would exclude a cleaner who works for 5 hours each week of the year while also caring for whānau, or a high school student who works at their local café for only a couple of weeks over the holidays. We refer to this group as the ‘non-conventional’ workforce and think it could include approximately 250,000 people. As an important step towards better understanding the dynamics of the Service sector workforce, we share some examples of the differences that emerge when including this non-conventional workforce in analysis. More information can be found in the full report prepared by Scarlatti.

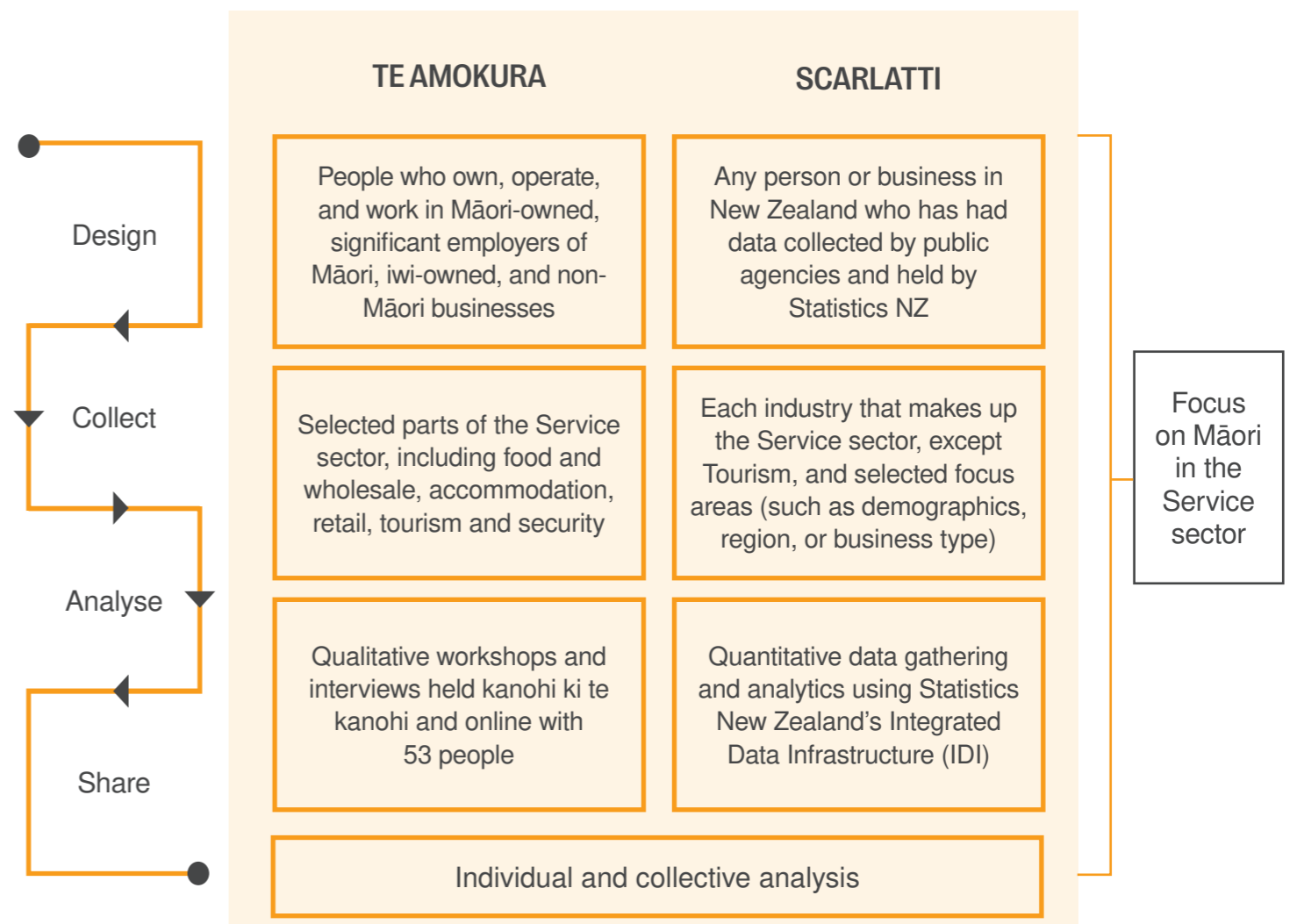
The research isn’t seeking to describe a single Māori perspective. We recognise that views and experiences of these concepts are diverse and complex. Importantly, we also acknowledge that Māori are often under-represented in quantitative analysis because of the way data is collected and categorised.

We would like to acknowledge the people and businesses that shared information about themselves and their experiences – whether they did that directly through Te Amokura engagements, or indirectly in terms of this project having drawn on data about people held in Statistics New Zealand’s Integrated Data Infrastructure (IDI) research database¹. We appreciate the gift that has been shared.

We would specifically like to acknowledge the iwi and hāpu across the motu which have participated in this research. We accept these insights as taonga and recognise the obligation we have to ensure this knowledge is treated as such.


To protect the privacy of those who shared their views and experiences with Te Amokura Consultants, we have only shared selected characteristics alongside their quotes.

We hope that this research inspires new directions in understanding the Service sector, further exploration into the resources that are available alongside this document, and meaningful action.





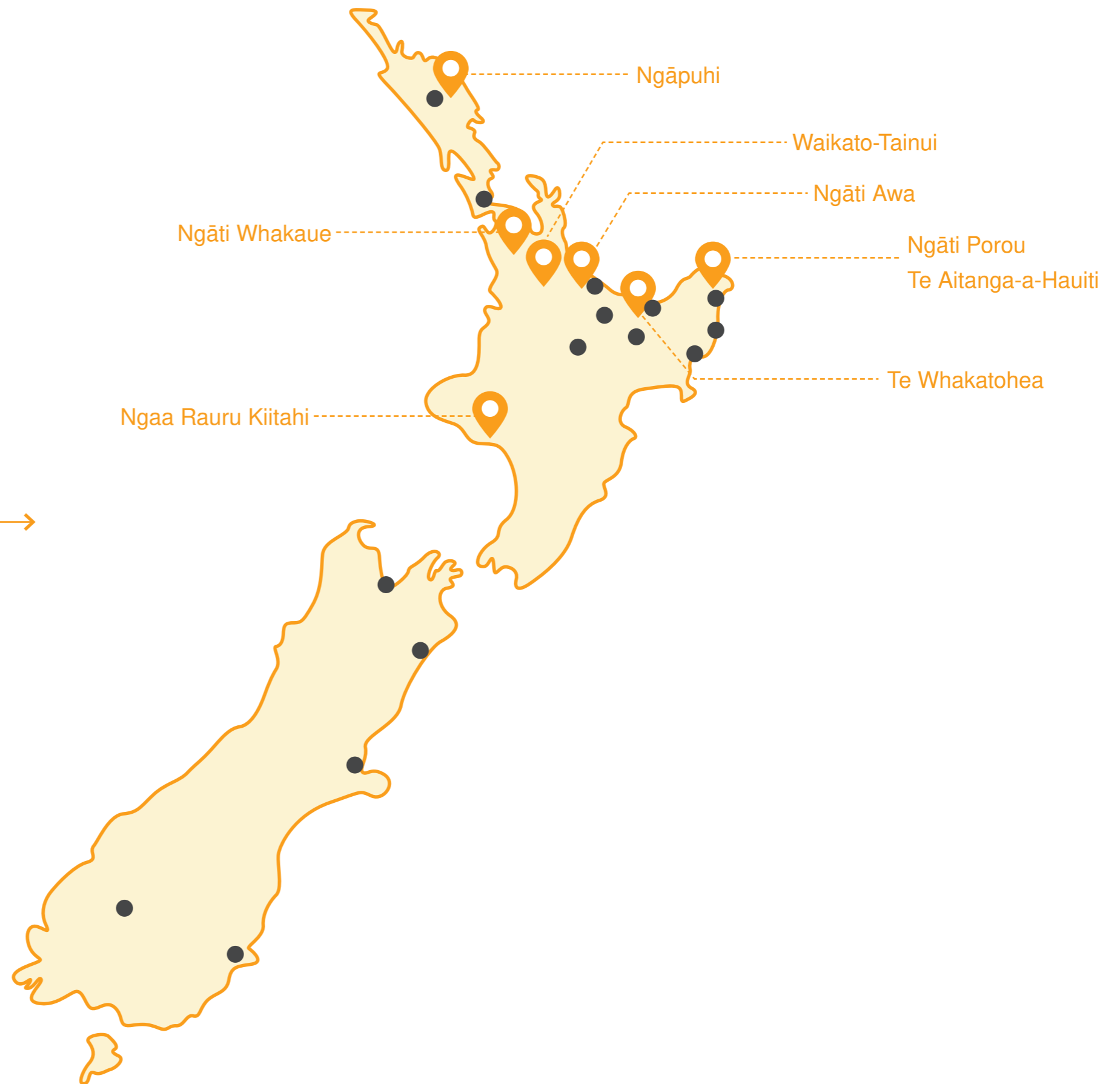
¹For more information about our research, see p.19 and the detailed set of material prepared by Te Amokura and Scarlatti

Legend:

 **Scarlati** – Data about people and businesses across New Zealand, with local and other targeted views available

Te Amokura targeted engagements with:

 People from	 Iwi
Kaikohe	Ngāpuhi
Auckland	Waikato-Tainui
Gisborne	Te Whakatōhea
Tolaga Bay	Ngāti Awa
Ruatōria	Ngāti Porou
Rotorua	Te Aitanga-a-Hauiti
Taupō	Nгаа Rauru kiitahi
Tauranga	Ngāti Whakaue
Hamilton	
Whakatāne	
Ōhope	
Ōpōtiki	
Murupara	
Christchurch	
Queenstown	
Kaikōura	
Nelson	
Dunedin	



The Service sector is woven through communities across the motu

You will experience the Service sector in action every day. Whether it's when you're out shopping, contacting your utilities company, sharing a meal out with friends, seeking financial advice as you prepare to buy a new home, or heading away on a well-deserved holiday. The Service sector is wide-ranging.

It is also likely that you have worked in the Service sector as well – **two out of every three people will work in the Service sector at some point in their lives.**

There are more than 370,000 businesses in the Service sector across the motu – of which at least 6,700 are Māori-owned², and 5,200 are significant employers of Māori. These businesses range from sole traders (roughly half of them) through to large businesses.

The Service sector has **a core workforce of 920,000 people**, which roughly make up nearly one-third of the total New Zealand workforce.

When including the non-conventional workforce, the Service sector provides employment opportunities for 1,170,000 people. That's a substantial increase of approximately 250,000 people.

There are approximately 180,000 Māori in the Service sector workforce, and of those, 127,000 are full-time equivalents. That means Māori make up at least 14% of the Service sector workforce and play a particularly important role in the non-conventional workforce. Māori participation ranges from the greatest presence in Contact Centres where one in five people are Māori, to the lowest presence in Aviation & Airport services where only one in ten are Māori.

Some people who join the sector will be starting their working journey, but around half will be changing their path from a different type of work, bringing a wide set of skills, knowledge, and experience with them.



Ringa Hora uses ten industry groupings to describe different parts of the Service sector, based on the types of things businesses focus on and the types of roles people play. While each of these groups are different, they all have people at their heart.

Aviation & Airport:

Aircraft manufacturing and repair, airport operations, and air transport services

Business & Professional:

Legal services, accounting, parking services, business associations, and labour associations

Cleaning:

Cleaning the interior and exterior of buildings, vehicles, and street sweeping

Contact Centres & Industry Support:

Call centres, labour supply services, gardening, and a range of administrative services

Financial & Advisory:

Banks, insurance companies, and other financial services

Tourism & Travel:

The Tourism industry includes a range of businesses that provide services to tourists. It is a cross-cutting industry that is defined differently to other Ringa Hora industries and includes parts of other industries such as hospitality, retail, and aviation. For the data from the IDI we have only looked at the Travel industry.

Retail & Distribution:

Wholesale and retail of a range of products such as fuel, groceries, houseware, and clothing

Real Estate & Rental:

Real estate agencies, property management, and car rentals

Hospitality & Food:

Accommodation, cafes & restaurants, takeaway food services, catering, pubs & bars, and clubs

Government, Defence & Security:

Central and local government, the justice system, defence forces, and security services

² Meaning at least half of its shareholders identify as Māori, or if Statistics New Zealand has identified it as Māori

The Service sector is significant for Māori. That’s not just because of the levels of employment and business opportunities that it provides, but also in terms of the reasons why those opportunities are pursued.

For each industry group there is an increase in the count of employees when including the non-conventional workforce. Considering that increase as a proportion over and above the core workforce, emphasises just how significant that potential difference could be.

Māori employees in the Service sector				
This table provides the distinctive count of Māori employees in each Service sector industry. If a person worked in more than one Service sector industry in one year, they will be counted in each industry they worked in.				
Industry	If we only count the core workforce	If we also count the non-conventional workforce	The difference is significant as a count of employees and the proportional increase	
Aviation & Airport	350	400	50	14%
Business & Professional	14,300	19,900	5,600	39%
Cleaning	3,900	8,700	4,800	123%
Contact Centres & Industry Support	22,600	42,800	20,200	89%
Financial & Advisory	6,900	8,400	1,500	22%
Government, Security & Defence	13,300	19,600	6,300	47%
Hospitality & Food	18,300	43,600	25,300	138%
Real Estate & Rental	4,500	7,000	2,500	56%
Retail & Distribution	27,100	45,400	18,300	68%
Travel	490	700	210	43%

“We wanted to be able to produce a great product for our people.”
(Food)

“Helping others to find expression through culture.”
(Retail, Māori SME)

“I’m in it to work to meet the needs of struggling whānau.”
(Food & wholesale, Māori SME)

“Very passionate about food... I have had an entrepreneurial buzz and have always aspired to do more. I saw the opportunity and went with it”.
(Food & wholesale, Māori SME)

“Created the business to empower the mana of wāhine.”
(Retail, Māori SME)

“Understanding that Tourism gives us an opportunity to share our stories, the stories that are ours. We need to build this culture.”
(Tourism, Māori SME)

“It’s an interest and wanting to provide tourists with manaaki and accommodation.”
(Accommodation, Māori SME)

People and businesses in the Service sector demonstrate resilience in many ways

Given the significance of the Service sector and the challenges faced over the last couple years, we need to find out more about the dynamics of people and businesses in the sector to ensure they are well placed to navigate and withstand a rapidly evolving environment.

Our focus here is on resilience and mobility. We acknowledge there are many dimensions to these concepts, and often they intertwine.

By understanding these dimensions and identifying and acting on ways to enhance them, we think that the Service sector will be well placed to continue adapting and thriving well into the future.



The Service sector is built on connections between people

Connections – whether that’s through relationships or networks – strengthen people across workforces, businesses, and the wider sector. These connections are invaluable pathways for businesses to access practical and financial support for a range of areas within their business, from employees, to mentors, to childcare.

Although the nature of relationships and networks can differ, they provide a web of support around individuals within the Sector. This helps to buffer against issues such as staff shortages, increase wellbeing, and bring in opportunities for employees and businesses to grow skills and collaborate.

Relationships are one of the fundamental strengths of Māori and Iwi business, and these relationships are inter-generational, internal, external, formal and informal. They’re reciprocal and enduring.

One of the ways that this shows is in recruitment practices. We heard that Māori businesses may try to employ whānau, friends or Māori first. It’s a matter of looking within their trusted circle before expanding to the wider workforce.

While there are full-time employment opportunities for some in these industries, other roles are either part-time or seasonal and require short-term or ‘surge’ workforces. Many Māori businesses will reach into whānau networks for help with their mahi and connect whānau with these job opportunities.

Relationships tend to go outside of the industries, or even the sector, depending on the nature of support that is required. These relationships have been invaluable with the challenges that the pandemic brought and the current workforce shortages throughout the country.

We also heard that there can be some challenges when relationships inhibit people from wanting to step up or out into something new. This may be for fear of being seen or known by whānau or community; the feeling of whakamā | shame or embarrassment.

Networks speak to the less personal relationships between workers and businesses, or between businesses and industries. Although these networks could draw on personal relationships, they tend to sit at the more ‘transactional’ end of interactions. These networks hold broader connections between businesses and workers that help tap into worker pipelines.

We’ve heard that sometimes an absence of networks challenges people’s resilience. Although there is some business support available, there is a desire for information, connections, and support that is created from, or reflects, Māori perspectives.

“We are linked in with our waka ama club and support our rangatahi programmes within the club. We are able to bring on trainees and create pathways for our rangatahi to come into our business.”
(Tourism, Māori SME)

“Because we are a Māori business, we will ‘head hunt’ whānau, going past all the traditional interview processes.”
(Tourism, Māori SME)

“We’re very mindful of what that looks like for our partnership and solidifying our partnerships and relationships that align with our strategy. We want to connect our whānau back to opportunities.”
(Iwi-owned)

“Currently 1/3 of our staff are Māori, this has been a consistent theme for quite a few years. I think we have a good representation of the community, and our unofficial recruiting strategy has always been to recruit local first.”
(Significant employer of Māori)

Relationships
Networks

“How do we find business support that is te ao Māori and kaupapa Māori orientated? There’s nothing in the mainstream/commercial space that works for us as Māori.”
(Tourism, Māori SME)

“We know what our business needs, being able to have a mentor, or someone who understands from a kaupapa Māori perspective. It needs to be tailored to the business, not a cut and paste copy.”
(Retail, Māori SME)

“We do a fair bit of staff sharing through businesses. So it’s helpful if we can top up the amount of hours at the other Cafe because it’s quite quiet. They come and do a day here or one at the restaurant”.
(Hospitality)

Values bring value to the Service sector

“It is in our DNA as Māori to naturally be business and resilience minded, we build up to this and add to our character.”

(Tourism, Iwi-owned)

A deep purpose and long-term horizons are crucial for Māori in the Service sector. It’s from this foundation, that financial sustainability will come.

There are signs that Māori-owned businesses have a commercial advantage in some cases. The profit margin for Māori-owned businesses in the Travel Services and Contact Centres & Industry Support Services industries is at least 10% higher than that of non-Māori-owned businesses in the same industries.

We heard from Māori in the Service sector that the purpose and drive behind their mahi was deeply intertwined with their Māoritanga and often provided the foundations for what they defined as resilience.

These values are demonstrated in a range of ways, such as the desire to provide employment opportunities for rangatahi and whānau, to find creative ways to keep people employed in times of adversity, to showcase their culture to others, and to express themselves through their product.

“The CEO gave up some of his own pay so that we could top up our staff because less hours means less money. He was topping up everyone’s pay so that they were all getting the same as before.”

(Retail, Iwi-owned)

“As Māori we get in and we do it. We think for the long term because who will make them if I don’t? That’s resilience. It’s not about economic gain. It doesn’t matter what the service or product, the resilience comes from the deeper te ao Māori meaning. It’s more to do with the kaupapa, as the mother of it, and you want to see it reach its potential.”

(Tourism, Māori owned SME)



“We are a taonga tuku iho business – a gift we are handing down to the next generations.”

(Tourism)



Iwi businesses emphasise the importance of leaving a legacy of better outcomes for generations to come. The businesses can vary but their purpose is the same; to bring benefits to their descendants through cultural, social or financial success:

“We have an obligation much higher than a mum and dad business, the legacy that we must uphold, and hand down is much bigger.”

(Tourism, Iwi-owned)

Having a deeper purpose behind working in the Service sector may underpin people’s work while they are in it. It will likely influence the decision they make if they move within or beyond our sector.

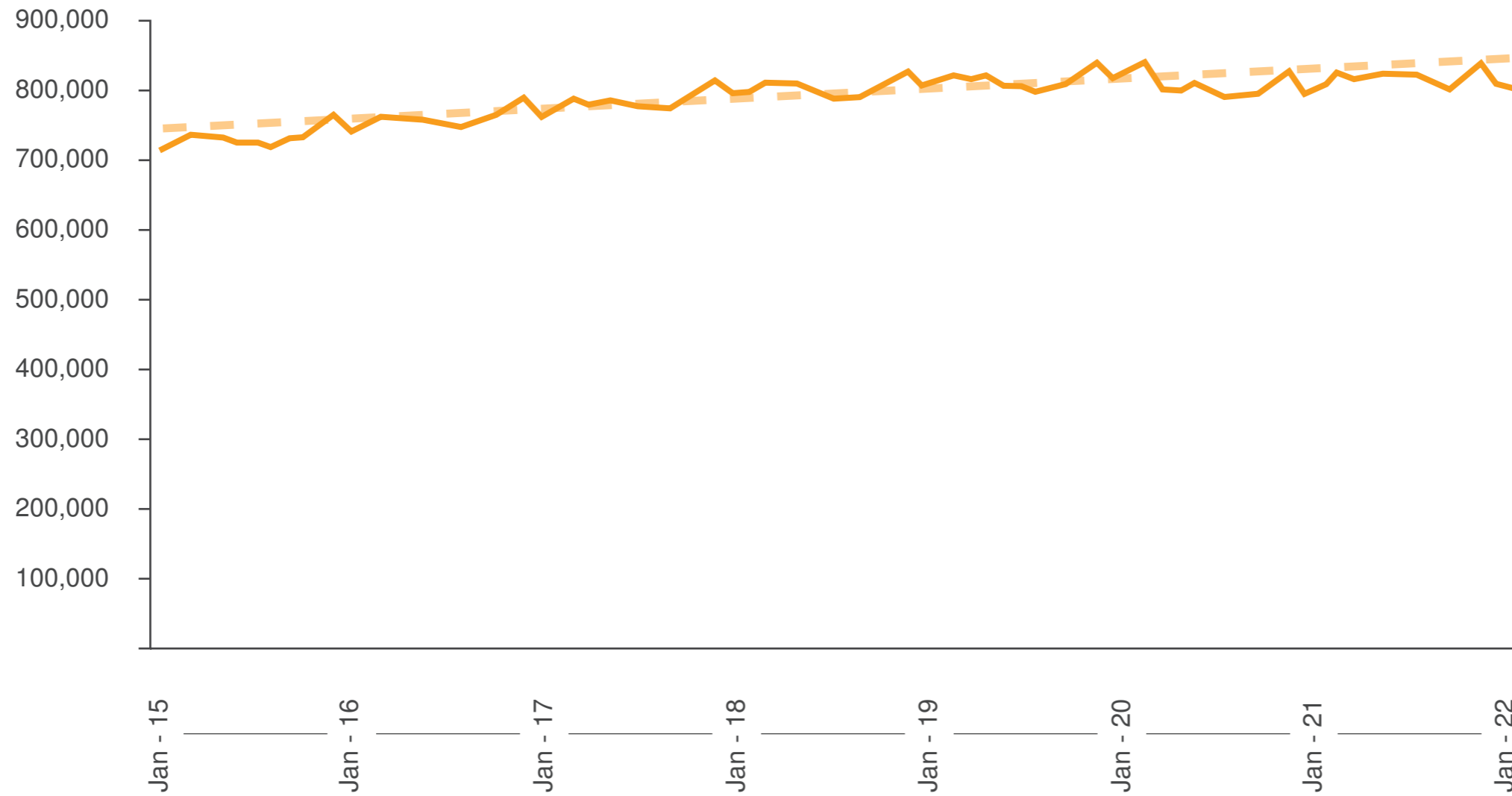
The Service sector is a mobile workforce

The overall size of the Service sector workforce is relatively stable, however the people in it are changing regularly.

Our research confirms the commonly held perception that people who are in their first, temporary, or seasonal jobs are highly mobile. These are people who would be counted in the non-conventional workforce. However, our research also highlights that mobility is a feature for the core workforce, where

you might expect a higher degree of stability. The extent of movement is so amplified for the non-conventional workforce that combining them with the core workforce to provide a 'total' view would mean neither group is adequately represented. For these reasons, in this section we've focused on sharing a picture of how mobile the core workforce is. More information is available about the non-conventional workforce in the accompanying full report prepared by Scarlatti.

Service sector employee trends over a 7-year period



Most of the movement is people changing industry

Sources of people joining a Service sector industry
(by total and of Māori joining the Service sector)

Industry changers	48% of all new people 55% of Māori
Tertiary	23% of all new people 23% of Māori
Secondary	7% of all new people 9% of Māori
Other*	11% of all new people 11% of Māori
Returning kiwis	1.5% of all new people 1% of Māori
Immigrants	9% of all new people
Benefit	0.2% of all new people 0.6% of Māori

People who are new to the Service sector

People who have some Service sector experience



Destinations of people leaving a Service sector industry
(by total and of Māori leaving the sector)

Industry changers	77% of all new people 85% of Māori
Other*	11% of all people leaving 5% of Māori
Overseas	8% of all people leaving 0.5% of Māori
Benefit	4% of all people leaving 10% of Māori
Tertiary	0.2% of all people leaving 0.1% of Māori

The Service sector is bouncing back from the shock of COVID-19 and continues to provide jobs for people

The Māori workforce appears to have been hardest hit, particularly during the early stages of the pandemic (the second and third quarter of 2020).

At an industry level, Aviation & Airport and Hospitality & Food services were the most affected with border closures and lockdowns. The impact for these industries was swift and has been long-lasting, with numbers only just bouncing back now.

However, the large numbers of employees who did lose their jobs **demonstrated their resilience through their ability to pivot**. In 2020, roughly 80% of the people who left the sector (voluntarily or involuntarily) transitioned into another industry. A similar proportion of people managed to transition into a new job within three months.

Employees shared that **being an “all-rounder” enables more employment opportunities within the sector**. Some employers could leverage off the wider sector churn, paired with the ability to provide on the job training, to fill their own workforce needs.

“We started linking up with other companies like Air NZ to recruit, being their loaders, baggage handlers and anyone that kind of fit the security profile.”

(Security, Auckland)

“Some roles have been left open for a very, very long time. And it was five to six weeks plus we still haven’t had anyone.”

(Retail, Queenstown)

Overall, the long-term trends of employment numbers stayed undisturbed. As restrictions were eased, Māori employment numbers in the Service sector also returned to pre-pandemic levels. The Māori workforce size in the Service sector has seen the biggest growth in 2021 over all other ethnic groups.

At the same time, **employers shared that staff shortages are an on-going major issue.** Shortages that existed prior to COVID-19 have been exacerbated. The existing workforce is experiencing a strain or fatigue, and are also mindful of the risk that going to work may present to the health and wellbeing of their whānau.

“A lot of our teams are tired, management roles have had to work quite operationally, we have had a lot of sickness, not just COVID so our workforce is exhausted.”

(Tourism, Rotorua)

“It is an ongoing issue of finding staff in spaces like our kitchen (chefs) and the shortage of overall staff has only made this harder for us.”

(Tourism, Auckland)

“The issue we are having with the workforce now is the lack of people we have applying for these positions.”

(Food & Wholesale, Iwi-owned)

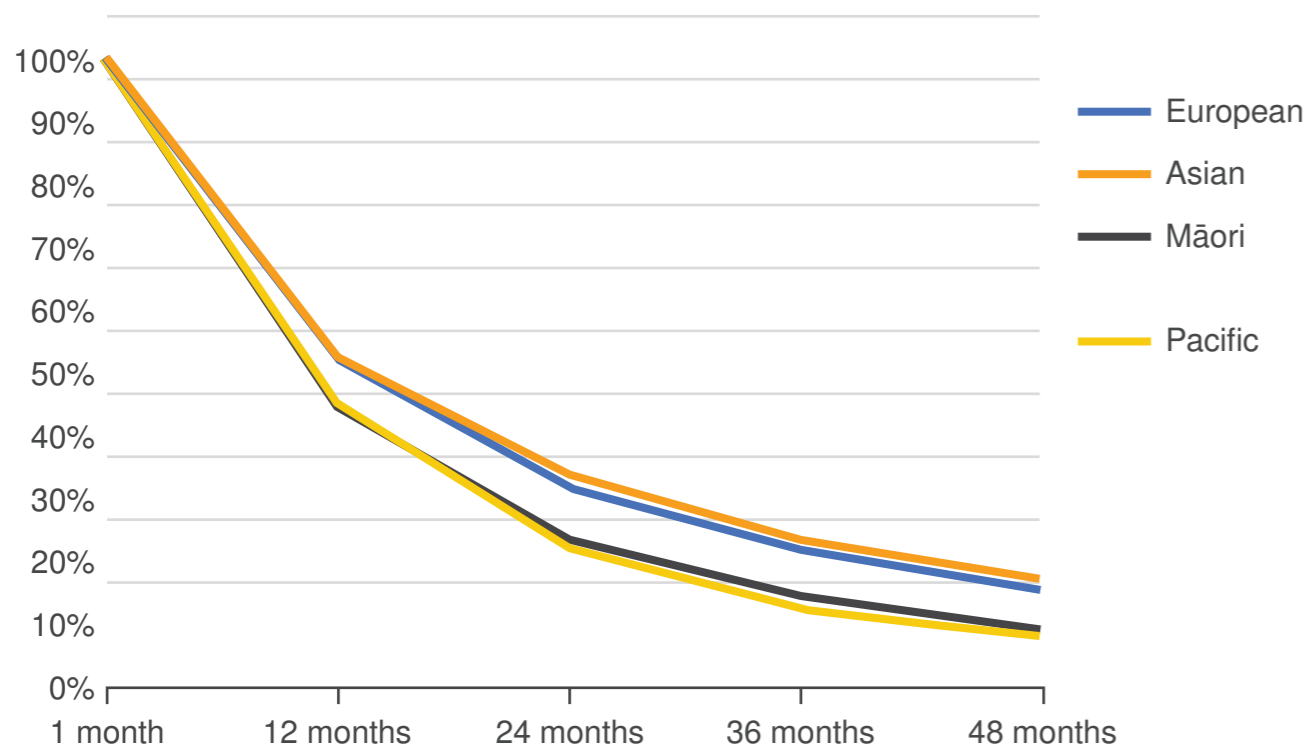


Many people seem able to move quickly and easily between jobs

Although the overall size of the workforce remains relatively steady over time, the composition of the workforce changes as people move in, around, and out of the Service sector.

We've looked at a cohort of new entrants to the Service sector (those who started in 2015) to identify when people are more likely to leave the Service sector, as well as the characteristics of those who do.

- Notably, 65% of people who were new to the sector in 2015 left within 12 months.
- The 12-month 'drop-off' point is more pronounced for Māori than other ethnicities.
- The Real Estate & Rental, Financial & Advisory, and Business & Professional industries stand in contrast to that trend as close to half of employees in these areas have more than five years of experience.
- People aged 35 to 54 are more likely to stick around compared to people who are younger than 35 or older than 55.
- Generally, there is no difference between gender. One exception is at the 3-month and 6-month point, when males are slightly more likely to leave (by 3-6%).



Most people who move will find a new job quickly. 83% of the total workforce leavers took less than 3 months to transition into new employment.

Less than 10% of the people who left their Service sector job in 2020 took longer than 6 months to transition into new employment – whether in the Service sector or elsewhere.

The only exception to this is the Travel workforce.

In some cases, the pandemic may have extended people's tenure in the Service sector. However, it may be a short-term impact and as we move out of the pandemic the tendency towards movement is reappearing:

“Come 2021, we had people who had been with us for two or three years, who probably would have left earlier had COVID not happened, suddenly want to look at other opportunities, whether that be studying or different employers or moving out of town.”

(Retail and Cafe, Iwi-owned)

This movement may be shaped by people choosing what best suits their lives, or in response to a job loss from a shock such as COVID-19, or wider factors such as the availability of housing and transport.

“Our fear is that if we identify a really good person, and we send them away for training [to] Hamilton or to Auckland, we might not get that person back. That’s a reality that we’re definitely dealing with at the moment.”

(Cafe, Iwi-owned)

“Often having a younger workforce tends to move off to the city at some point.”

(Food & Wholesale, Iwi-owned)

“Employers have to really go out of their way to look at the whole person and what that person requires to keep them or attract them in the first place and then to keep them in. They’re different things to what they were previously. So, across the board, I think it’s really tough. The job at hand really is rolling with the new landscape.”

(Food & Wholesale, Māori SME)



A diverse mix of people and skills helps stabilise the Service sector

The Service sector is an accessible option for many. Our research has shown that the demographic characteristics are largely representative of New Zealand in terms of age, gender, ethnicities and regional distribution.

If we took 10 people from the Service sector, over half would have a post school qualification, 5 of them would have come from a different industry or sector, and almost half would be over the age of 35. If we looked at where these 10 people lived, 5 would live in Auckland or Wellington, 2 would live in the South Island and the other 3 will be living in other North Island regions. The gender balance would be relatively even.

The mobile nature of the Service sector workforce is likely to contribute skills that are informed by a broad range of practices and places.

So-called ‘soft skills’, such as customer service and communication are important in any business, but particularly for the Service sector where many roles involve hosting people.

For Māori, these skills are intertwined with their culture and their values, adding immense value to our Service sector industries:

“None of our people have been formally qualified or trained. They naturally got it inside them.” (Tourism, Māori-owned)

“We’ve got potential if we put the right skills and training in place to ensure we are growing [a] generation of SME people. Tourism is a natural fit for Māori.” (Tourism, Iwi-owned)

The pandemic and wider changes in technology have impacted when and how people develop these skills. This highlights not only the value of these skills in the Service sector, but also the need to deliberately support their development and recognition:

“Kids have become very device driven through forms of communication, and our service level has dropped considerably”. (Tourism, Auckland)

“Many of our staff are school kids and particularly now, they are the ones who have done so online. This means that they are lacking a lot of customer service skills that we need, they are not equipped to have face to face conversations.” (Tourism, Rotorua)

An adaptive and responsive workforce that has a diversity of skills, knowledge, and attributes helps businesses to innovate during difficult periods.

People have shared examples of the efforts taken to maintain service and employment levels. For example, this includes having people cover multiple roles and wearing different hats in the business, working across different sites or even businesses if practicable, and shifting their focus away from international markets towards local communities. These practices were apparent regardless of the business size.

“We pivoted to our local community, i.e. kura. We maintain this model with a 40% market.” (Tourism, Māori SME)

“We did have graduate students pivoting to other roles in the business, i.e. graphics; online work; but we were very limited in what we could do in person” (Food, Māori SME)

“COVID gave us the opportunity to re-look at how we do things, and with the labour shortages we made things a bit more flexible. We are taking those who have been specifically employed to do one job like a cashier role and creating an operator role so they can expand their skills’ It’s great for their CV and means more flexibility for us.” (Significant Employer of Māori, Rotorua)

“Our big focus was trying to maintain meaningful work for our people and that meant upskilling our team so they have a significant degree of versatility.” (Tourism, Iwi-owned)

A diverse workforce, with a breadth and depth of skills, also helps to mitigate the disruptive impact of turnover or churn by:

- cushioning the impact when a segment of the workforce departs (whether planned attrition or otherwise) or takes time to grow and develop its skills. In other words, any ‘strata’ of the workforce will be noticed when it’s removed but the effect is less so if you have people who can step in or up with some support.
- introducing a diversity of ideas and thinking into New Zealand businesses by bringing together people that might not otherwise cross paths.
- enabling the transfer of knowledge and skills between people in the workplace; from those with the specialist knowledge and skills to newcomers or existing employees looking to move up or laterally within the business.

“Life skills helped me be industry fit, being a mother, volunteering in the community and my other mahi helped me in my jobs in retail and hospo.” (Employee, Whakatāne)

“Being older, enables you to have all the ground, entry-level skills needed to work in retail, hospo, and accommodation (cleaning) roles.” (Employee, Rotorua)



Next steps

Our research supports further exploration and action to enhance Service sector resilience and mobility

Ringa Hora will work with, alongside, or in support of industry, iwi, hapū, Māori businesses, and other collaborators to enhance our collective understanding of the Service sector workforce and progress meaningful action. It is particularly important against the backdrop of the pandemic and as the Service sector continues to adjust to the challenges and opportunities that arise from a rapidly evolving environment.

We need to further amplify Māori success in the Service sector

The Service sector is significant for Māori. This was shown to us by the extent of opportunities taken to work in, own, or operate businesses in the Service sector, as well as the reasons people shared for pursuing those opportunities. We have heard that, for Māori, many skills that are inherent to the Service sector are intertwined with their culture and their values.

There is a need for Māori businesses to be connected with each other across networks, industries, and regions. We have heard that the three key areas that would support Māori businesses moving forward are:

- more Māori mentorship
- more training aimed at lifting Māori businesses to become self-sufficient; and
- the establishment of a Māori business directory where connections can be made.

The relationships that surround an individual in the Service sector are influential. There's work to be done to support not just the individual potential in the workforce, but to encourage their whānau and wider community to understand and support the value of the Service sector and education.

The way that we recognise and credentialise 'soft skills' that are embedded within te ao Māori contexts needs further exploration. Specifically, this includes considering how well so-called soft skills in qualification or programme design either starts with or translates to Māori conceptualisations, perspectives and experiences.

We need to continue exploring the characteristics and dynamics of the workforce

Our research provides a picture of the minimum size of the workforce and its associated characteristics. It has also highlighted some of the stark differences that appear when commonly used thresholds are removed entirely. We think the part-time, temporary, and seasonal Service sector workforce is under-represented as a result – potentially by up to 250,000 people. Given the value of these people to the Service sector, we think it is useful to explore:

- a more inclusive data definition; and
- how different definitions may change the composition of the workforce; and
- the implications for how best to meet the Service sector workforce and industry needs.

We need to explore ways to enhance and showcase the value of the Service sector

Being able to offer employees work that responds to their value set increases the likelihood that a relationship will be maintained with them. This in turn will add to networks of potential workforce around businesses – even if they don't stay in a job forever, they may recommend your business to whānau or their community as a desirable place to seek employment.

We also heard that there is work to be done to help ensure the Service sector is an attractive choice. We need to support an environment that meets the aligning aspirations of employees and employers. Our research has told us that:

- Employees want more than just a good wage. They want to have a purpose, flexibility, and stable job opportunities. They want to feel like their employer cares about them. They also want the opportunity to learn, grow and be promoted and know that their well-being has been spoken about as being a major consideration.
- Māori businesses want an engaged and productive workplace full of their local community, iwi and/or hapū. They want to retain their people and attract them back into their workforces and be a part of the holistic values of their people.

“It’s hard with casual workers, if you can’t give them somewhat regular work they’ll go elsewhere.”

(Tourism, Auckland)

“You know, if you looked after your staff through their COVID period, there was a really great deal of goodwill that the employers received, but I think increasingly given that the employment rates are so low at the end of the day, people are now less inclined to use that as the basis for staying because you can actually move yourself around businesses looking for a higher income for the work that you’re doing, irrespective of whether you felt looked after through COVID.”

(Food and Wholesale, Māori SME)

“But now I’m noticing that really, the roles have switched. They’re almost interviewing us to see whether we fit the set of ideals.”

(Food & Wholesale, Iwi-owned)

“I think that the current workforce is very aware that there are shortages around and that they do have a lot of options. So which one they select is key.”

(Food & Wholesale, Auckland)

“We are linked in with our waka ama club and support our rangatahi programmes within the club. We are able to bring on trainees and create pathways for our rangatahi to come into our business.”

(Tourism, Māori SME)

“People are paying cleaners like \$27 an hour. They’re not going to want to work for us at minimum wage.”

(Food & wholesale, Queenstown)



We need to unleash the potential of the workforce for the time people are in our sector

People will always move in to, around, and out of the Service sector. This can create a wider pipeline of skilled workers when people may stay in your web or relationships or networks, in turn enhancing resilience.

However, at the same time as the data from Statistics New Zealand IDI suggests that the workforce size is at a natural level, employers continue to report skill shortages. That suggests that even when counting the non-conventional workforce, there are still not enough people to fill jobs. It is important to better understand the size and nature of the gap between the workforce size and available jobs. However, we also need to innovate for the reality that the workforce size will not readily grow to satisfy the jobs we need to fill. That means we need to:

- leverage different avenues for people entering the sector, for example this research has shown a high degree of new entrants are people changing industry and referrals based on relationships and networks
- understand the dynamics that cause churn and address them to help the Service sector be a place that people choose to work and want to stay for longer – including the relationship between the timing of investment in upskilling employees and their retention
- explore the extent to which mobility can be attributed to the inherently seasonal and temporary nature of some industries, while also taking steps to smooth those fluctuations where possible.

It also means we need to ensure people and businesses are ready and able to work differently to mitigate the capacity gap, no matter its size. For example, this could mean:

- investing in employees through appropriately sized and timed training
- unbundling tasks and jobs, as well as so that people can quickly upskill for what is needed of them, with the option to add further training in smaller blocks that ease transferability.
- recognising existing skills, knowledge, and attributes (rather than planning to train someone as a 'blank slate'), given many people join the Service sector with prior experience from another industry or sector, or wider educational and lived experience.

We need to deliberately grow and recognise the skills that connect people

Many of the baseline skills that employers value are relational, such as effective communication and the ability to work in a team. These underpin how people interact with one another to provide excellent service, regardless of the particular workplace or industry. In some cases, the pandemic and increasing prevalence of technology have undermined traditional opportunities to develop these previously taken for granted skills. Overall, this means we need to:

- treat these skills as transferrable or generic 'sector' skills – rather than taking a tailored or industry-specific approach
- deliberately grow these skills across learners, rather than leaving them to develop 'organically.'

This approach could equip people with what they need to seek movement within the Service sector and to have a smooth transition to other industries. It will also mean an easier investment in developing technical or context-specific skills.

If you would like to know more about our research

Please refer to the full reports prepared by Te Amokura Consultants and Scarlatti for further information about the research methodology and findings.

Targeted engagements with industry

In this research Te Amokura consultants used a te ao Māori approach guided by manaakitanga, whanaungatanga, tika & pono. Using their extensive networks and relationships within te ao Māori, Te Amokura engaged with Māori, iwi, hapū and non-Māori stakeholders across the motu to get the breadth and depth of qualitative data for this kaupapa (project). This approach is successful due to Te Amokura's established and ongoing relationships across Māori communities, iwi and hapū which allows people to be open and honest with their kōrero. Te Amokura holds safe spaces for people to be themselves and trust that not only them but that their kōrero will be taken care of.

Te Amokura Consultants warmly acknowledges the contribution made to this research by all participants; the business owners, employees, iwi, hapū and whānau who were interviewed about their experiences within the Service sector; the businesses who welcomed them on-site; and the owners/operators who made themselves available to share their perspective. Your participation in this research has enriched the findings and your voices have shaped the body of this report.

Quantitative data gathering and analytics

The IDI

The data source used to inform the quantitative component on this work has been the Statistics New Zealand's Integrated Data Infrastructure (IDI). The IDI is a research database maintained by Statistics New Zealand, containing de-identified microdata about people and households. Datasets contained in the IDI which have been used in this work include tax and income records, the 2018 Census and Ministry of Education and Tertiary Education data.

We note that the results contained in this report are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) and Longitudinal Business Database (LBD) which are carefully managed by Stats NZ. For more information about the IDI and/or LBD please visit <https://www.stats.govt.nz/integrated-data/>

Data principles

We have made all efforts to use the data collected in this research with care: it is a gift from the past to navigate the future. Access to it is a privilege and we must take great care and responsibility to represent who the data has been sought from in ways that maintain their mana, dignity and agency. Data about people in the Service sector will be treated as taonga. Data belongs to those from who it has been sourced. We are the kaitiaki and not owners of this data.

Use of the data, analytics and insights therefore will represent our learners and related groups in ways that enable them to maintain their 'mana', dignity and agency. It will be used in an empowering way, avoiding framing in deficit ways. Great care and responsibility will be taken in relation to the management and protection of both the data and the stories we tell from it.



RINGA HORA

Services

Workforce Development Council

For more information please contact:

info@ringahora.nz | 04 909 0306 | ringahora.nz