



Contact Centre WORKFORCE ACTION PLAN

A shared roadmap to develop the workforce

The Service sector is fundamental to New Zealand and New Zealanders. The future of the Service sector is exciting and has people at its centre.

Ringa Hora has worked with people from across industry to develop a shared roadmap to transform the Service sector workforce from its current state to the future that we aspire to.

The Workforce Development Plan looks across the Service sector and sets out the major factors shaping the sector and an overarching vision for the future.

Against that context, this Action Plan focuses on the characteristics and dynamics of the Contact Centre services industry and its workforce. It describes what the future could look like for this workforce, the current challenges faced by the industry, and sets out the actions we can take to tackle this wero | challenge.



Future Vision for the Contact Centre Industry

Ringa Hora's Service Sector Workforce Development Plan is based on four aho | strands. Each of these aho will strengthen the workforce, but when woven together, as a taura whiri, we can achieve real transformation of the workforce:

- ▣ Māori succeeding as Māori
- ▣ Attracting and retaining the future workforce
- ▣ Developing broad skills for the future
- ▣ Creating mana-uplifting jobs and opportunities.

For Contact Centres this means ensuring that their work is valued and visible to all. It also means a future in which the industry is resilient and adaptable to technological advances. By providing staff with the skills and experience they need to adapt and develop in a broad sense, including in digital literacy, the industry can attract and retain more staff including good leaders who understand the industry.

We know that for Contact Centre services to flourish, the industry has to reflect the communities it serves. Contact Centre services represent one of the highest proportions of both Māori and Pacific people within the Service sector. Embracing and supporting this diverse workforce makes businesses more attractive to potential kaimahi and customers from across the motu and offshore.



About the Industry

The Contact Centre industry consists of a range of businesses including recruitment, call centres, office and other administrative services such as ticketing and promotions, labour supply services, and gardening.

The industry contributes \$114 million to the nation's economy and provides immense value to society as an essential service.

There has been a steady increase in demand for Contact Centre services in particular over the last few years. The upward trajectory was further accelerated by the COVID-19 pandemic and the recent weather events as an increasing proportion of New Zealand businesses have been introducing online distribution channels for their products and services. This in turn results in the need for more customer service support. In addition, demand from online shopping is expected to continue growing, providing the industry with an opportunity to expand.

Top of mind

To help us get to the future state, we need to understand and tackle the challenges that the Contact Centre industry faces, while also seizing the opportunities that already exist or are on the horizon. We've heard that the factors which have a significant impact on the Contact Centre industry, including its approach to workforce development include low public perceptions of the industry, high turnover, and a need for skills and experience to address increasing complexity of the work. The industry also needs leaders who can lead across the changes caused by digital disruption and increasing complexity of demands.



Raising the profile of the industry for the future workforce

It is vital that the future workforce has better visibility about the industry and what it offers. Generally, people are not aware of what it entails, what it involves, salary opportunities and the career progression. Good news stories from people on the job may be a way to promote the industry, although these need to be sourced and shared well to be effective. Very few (less than 3%) of new workers to contact centres in particular join from secondary school. The sector could work better with careers advisors and managers and possibly provide opportunities for work experience to attract young school leavers into the sector.

Building a depth of experience

Contact Centre services have a very high turnover rate and large parts of the workforce do not have depth of experience. In 2021, less than a third of the workforce had more than two years of experience in the industry. Steps could be taken to improve re-balance efforts from attraction to retention, which will in turn improve the depth of workforce experience, and ultimately improve the quality of service for New Zealand.

Developing skills and experience to deal with the complexity of work

The industry is increasingly demanding staff who excel in customer service, problem-solving and can rapidly adopt technology while being able to work beyond the standard 9–5 settings. Automation has helped to reduce the more basic interactions; however, it also means that the nature of issues needing to be resolved by contact centre operators have become more complex, customer expectations have increased, and the level of skill required has risen considerably. The increased expectations and high intensity work mean that the sector has difficulties attracting, upskilling, and retaining kaimahi.

Supporting pathways to leadership

The industry needs clear pathways that enable progression, and succession planning which is tailored to suit a team and organisation needs. It is important to get the right type of leaders into Contact Centre services. Leaders need to be visible and encourage professional development and career progression and provide pastoral care. Offering clearer leadership pathways and opportunities for development provides an avenue for employees within their current job to see and stay for future leadership opportunities. A good leader also needs to assist staff on the ground during difficult times.

About the Workforce

The Contact Centre services core workforce employs around 2,300 people. The sector has many opportunities for workers entering the workforce or changing careers to gain experience in customer service, problem-solving and rapidly adopt technology.

The industry absorbs large numbers of workers without pre-requisite tertiary qualifications. This makes it all the more important to upskill and train the existing kaimahi for them to have the skills they need and to encourage them to stay within the sector.

Prior to the pandemic, there was a growing number of migrant workers in the Contact Centre workforce. These trends of an increasing migrant workforce highlight the need for the industry to embrace its cultural and linguistic diversity.

The industry has a high proportion of Māori and Pacific peoples in the workforce. Embracing and celebrating diversity makes businesses more attractive to potential kaimahi and customers, as well as creating economic and social benefits for employers, the workforce, and the wider community.

Using workforce participation data as a starting point shows that there are some strengths in the industry, but also work to be done to realise the aspirations and potential of Māori, Pacific peoples, and tāngata whaikaha | disabled people:

14% of the workforce identify as **MĀORI**

There is a high proportion of Māori in the Contact Centre workforce. This is likely because many Māori can see themselves reflected in the industry. There are clear pathways for many Māori into specific industries and into management and leadership roles. Many industries use contact centres as a training ground pathway into other roles, such as finance and banks. In addition, there are a number of Māori-owned businesses in the industry (11%) which often focus on supporting Māori in the industry.

19% of the workforce identify as **PACIFIC PEOPLES**

Contact Centres have a high proportion of Pacific peoples, compared to both the Service sector more broadly and the New Zealand workforce. The sector provides clear pathways to leadership and managerial roles which provides opportunities for Pacific peoples in terms of career progression and skill development. The sector is well aligned with Pacific values, particularly its focus on reciprocity and assisting others, and working collaboratively as a team. Having a high proportion of Pacific peoples enables Contact Centres to better understand and respond to the needs of their increasingly diverse customers.

2.5% of the workforce identify as **TĀNGATA WHAIKAHA**

Tāngata whaikaha includes physical, mental, intellectual, or sensory impairments which can impact a person's life to varying degrees and in different ways. We acknowledge that data on tāngata whaikaha is limited and it is important that we create more growth opportunities within the sector for our tāngata whaikaha workforce.

CONTACT CENTRES

References:

1. Workforce demographic, businesses, and economy data is from Infometrics and relates to 2022 unless noted
2. Education and training data is from TEC administrative data and relates to 2022.

WORKFORCE



1. Number of workers

The total workforce in Contact Centres is about 0.1% of the NZ total workforce.

Workforce change

The workforce in Contact Centres has been steadily decreasing over the past few years, and has decreased by 28% since 2019.

2. Proportion of rangatahi (aged 15-24)

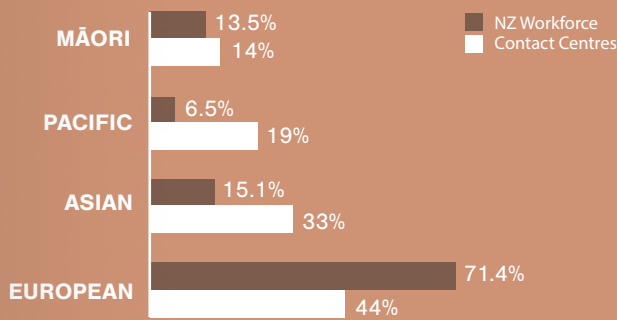
27%

The percentage of rangatahi in Contact Centres is higher than the 14% in the NZ workforce.

3. Participation of wāhine



4. Ethnicity



5. Tāngata whaikaha

2.5%

This is compared to 3.1% of tāngata whaikaha in the wider New Zealand workforce.

6. Average annual income

\$56,000

The average annual income in Contact Centres is much lower than New Zealand's \$65,800 in 2022.

7. Average annual income growth (2011-2022)



8. Workforce by Region



58%
Auckland



26%
Wellington



4%
Canterbury



BUSINESSES



1. Number of businesses

There are around 80 businesses in Contact Centres. The number of businesses in Contact Centres has declined over the past few years, from a peak of 100 businesses in 2017.

2. Māori-owned business

Approximately 11% of Contact Centres are Māori-owned businesses in 2022.



ECONOMY

\$114 million

In 2022, Contact Centres contributed \$114 million to NZ's Gross Domestic Product (GDP)

EDUCATION AND TRAINING



1. Number of Learners

New Zealand Certificate in Contact Centres (Level 3)
235

2. Proportion of workers with no post-school qualifications

49%



Putting this into action for Contact Centres

Transformational change in the Service sector workforce will take time but to achieve that change we need to start taking action now. The following plan includes the key areas of focus, medium term actions and short-term initiatives. These initiatives and actions can be thought of as individual threads that weave together to achieve workforce transformation.

	Māori succeeding as Māori	Attracting and retaining the future workforce	Developing broad skills for the future	Creating mana-uplifting jobs and opportunities
Actions: Where we would like to be	<ul style="list-style-type: none"> Māori business and workforces have opportunities to connect. The Service sector and vocational education system understands and acts on Māori views of success. The vocational education system is shaped by a Mātauranga Māori lens. 	<ul style="list-style-type: none"> Improve the availability and use of high-quality information about Service sector businesses and workforce Improve participation of Māori, Pacific peoples, tāngata whaikaha, and other population groups. Industry is visible and promoted to a wide range of potential ākongā and kaimahi. Roles and responsibilities of system level players are understood and have arrangements in place to work well together. 	<ul style="list-style-type: none"> Vocational education and training is flexible and adaptable to current and emerging industry requirements. Workforces and businesses are well prepared to adapt and innovate. Investment decisions are transparent and based on high quality advice. 	<ul style="list-style-type: none"> Workplaces are accessible and attractive to the current and future workforce. The workforce is recognised, valued, and safe. The workforce and businesses move through the cycle of employment (recruitment, on-boarding, retention, and progression) in ways that suit them. The range of roles is articulated and available. Learning and skills development supports upwards and lateral progression.
Initiatives: What we can do to get there Service Sector Initiatives	<ul style="list-style-type: none"> R I Establish and grow the Māori Service Sector Forum. R Ohu Ahumahi collaboration (Rōpū Kaitakawaenga) to build relationships with iwi and hapū to better understand Māori aspirations. R I Te Kāhui Mātauranga Māori to provide Mātauranga Māori lens to Ringa Hora product design and quality assurance approaches. 	<ul style="list-style-type: none"> R Undertake the Future Workforce project that aims to understand work, skills and training in New Zealand in 2040. I Amplify work that aims to grow participation of particular groups such as Pasifika Navigators of Tomorrow or Jobs for Mums. R Promote the use of Te Mata Raraunga, a collection of vocational education and workforce data. 	<ul style="list-style-type: none"> R Create a package of short, sharp, stackable credentials that meet industry need through Waihangatia te Āmua Ao Shaping the Future of Service Skills project. R I Amplify work that supports people to learn about broad skills for the Service sector, such as MBIE's Digital Boost initiative. 	<ul style="list-style-type: none"> R Develop an 'employer hub' that shares resources, information, and case studies of Service sector excellence – Targeted at SMEs. I Amplify approaches that improve diversity, equity and inclusion, such as Diversity Works NZ, Disabled Persons Assembly Information Exchange resources for employers, and Rainbow Tick.
Contact Centre specific initiatives Who is leading the initiative	<ul style="list-style-type: none"> R I Industry and WDC's to showcase successful Māori businesses/ role models in the industry to further attract Māori to the sector. I Businesses to improve access to Te Ao Māori training. 	<ul style="list-style-type: none"> I Build awareness of the opportunities across the industry by creating targeted events, information, and services to increase exposure for different people and places, such as careers expo and events. R I Develop content about a range of jobs for the TEC Careers Services to use in its products such as the current <i>careers.govt.nz</i> website and the planned successor, Tahatū. I Increase employer participation in the Inspiring the Futures programme with local schools. I Promote Contact Centre awards as an opportunity to recognise innovative work being done in the sector within the industry and beyond. 	<ul style="list-style-type: none"> R I Collaborative work between industry, government agencies, and Ringa Hora to: <ul style="list-style-type: none"> improve the transparency about vocational education and training funding, ensure high quality information is available to inform Government policy and investment decisions. R I Increase provision of digital literacy training for workforce. I Businesses continue to develop their own quality, on the job training, and looking to align with credentials where this makes sense for bushiness and learners. 	<ul style="list-style-type: none"> I Businesses work to ensure they employ and grow good leaders in the sector, encourage professional development and career progression, and provide pastoral care. R I Highlight the opportunities in the industry by making career pathways visible to all by improving transparency of pathways by mapping job roles to education and other relevant requirements. I Increase mentoring opportunities, especially for Māori, Pacific peoples and tāngata whaikaha. Ensure that mentoring opportunities are culturally appropriate. R I Identify and investigate cross sector industry pathways from contact centres (such as banking, aviation and airports, accommodation).

R = Ringa Hora
I = Industry



RINGA HORA

Services

Workforce Development Council

How to get involved

- ❑ Partner with us on workforce initiatives
- ❑ Tell us what is working and what isn't
- ❑ Report to us on workforce actions progress
- ❑ Engage with us
- ❑ Use the products or initiatives listed in the sector workforce plan

Visit our website or contact us to find out more, receive updates and invitations to industry events.

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