

THE POWER OF PEOPLE

IN CONTACT CENTRES



BUILDING A FUTURE-READY WORKFORCE AMIDST UNCERTAINTY

Future Vision

New Zealand's contact centre industry will be a global leader, recognised for its thriving and dynamic workforce. The industry will not only excel in customer service but will also be a centre of career development, providing every worker with ample opportunities to progress within their careers, gain transferable skills, and grow into leadership roles. The industry

will embrace and lead the adoption of cuttingedge technologies, utilising AI, data analytics, and automation to enhance efficiency and empower the workforce. These technologies will be seamlessly integrated to support teams, allowing them to focus on what they do best—building strong, human connections with customers. 3

TACKLE THE CHALLENGES

SEIZE THE OPPORTUNITI







About the Industry

Contact Centres play a crucial role in New Zealand's business landscape, providing essential customer service support to businesses, government agencies, and banking institutions.

These services have become increasingly vital due to several factors, including the growing number of businesses transitioning online and the rising complexity of customer inquiries, a trend further exacerbated by the digital age and the impact of COVID-19.

The Contact Centre industry is considered an 'accessible' entry point for many entering the workforce, as it employs a high proportion of workers without tertiary education.

About the workforce

There are approximately 2,300 people employed in Contact Centres. This is down from 3,100 in previous years. Whilst there is an increase in demand for Contact Centre services, this decline in the Contact Centre workforce is reflective of more vendors using overseas contact centre staff and the uptick in technology adoption and subsequent efficiency.

The Contact Centre industry is considered an 'accessible' entry point for many entering the workforce, as it employs a high proportion of workers without tertiary education and has a range of flexible hours that might suit people who are studying or have other commitments outside of work.

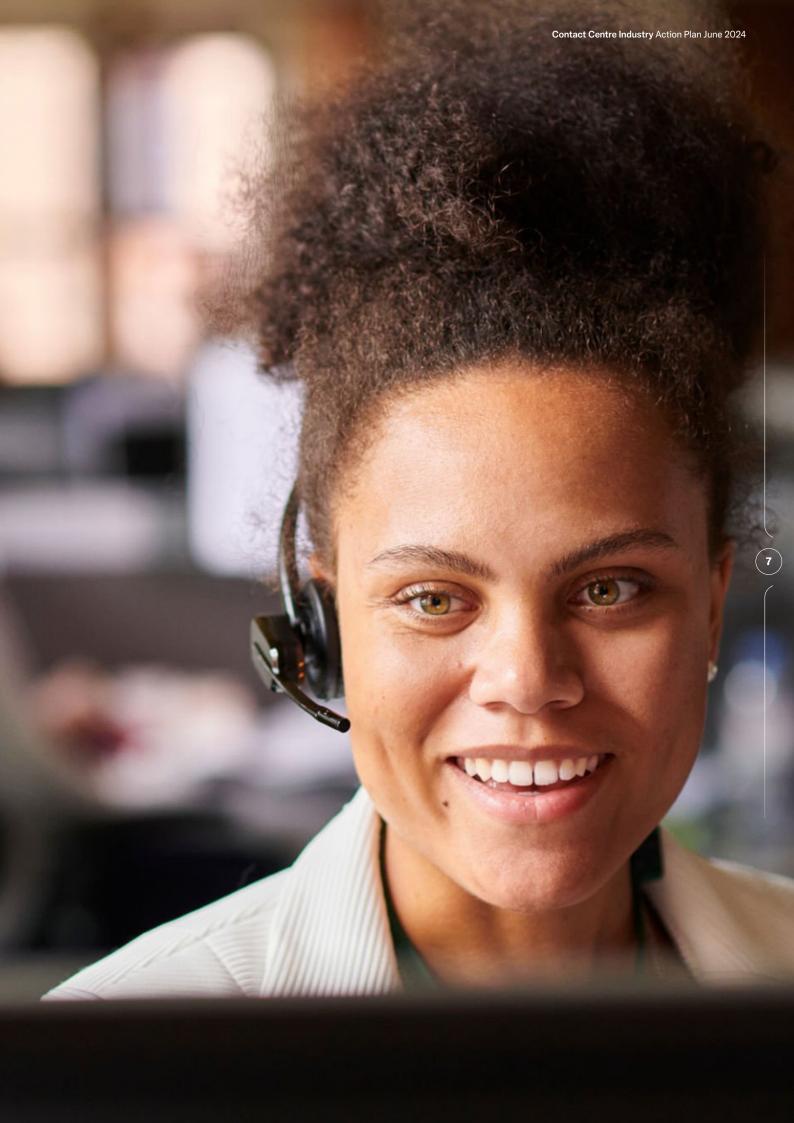
However, the industry also provides a number of career pathways for many both in the sector as Contact Centre managers and outside of the sector through using their transferable skills, such as their customer service skills, problem solving and ability to rapidly adopt technology. This is particularly true as businesses continue to digitise their operations, interactions with customers become more complex, and contact centres face the challenge of addressing increasingly sophisticated enquiries. Whether it's troubleshooting technical issues with online platforms, navigating intricate product specifications, or resolving disputes, contact centre workers possess the expertise and resources to provide effective solutions.

In addition, a number of industries use contact centres as recruitment and training grounds, such as finance and banks recruiting workers from their relevant contact centres.

About the learners

There are two NZQF qualifications covering Contact Centres: New Zealand Certificate in Contact Centres (Level 3) and New Zealand Certificate in Contact Centres (Level 4), which is expiring in December 2024. There has been an increase in enrolments in these qualifications since 2021. In addition, contact centres tend to have a lot of in-house and onjob training which specialises to specific roles and offers learning opportunities to kaimahi between the Level 3 and Level 4 qualifications.

The industry association, providers, and Government, are actively collaborating to support training in the industry. For example, the Ministry of Social Development (MSD) and the Contact Centre Network New Zealand (CCNNZ) have formed a strategic partnership with industry providers to deliver a certified online course. This initiative is designed to equip kaimahi | workers with the skills needed for employment in the contact centre and rela





Our workforce

Number of workers

2023

2334

41% Under the Change over past 5 years (2018-2023)

29% Forecast change over next 5 years (2023-2028)



2023





Female 2023

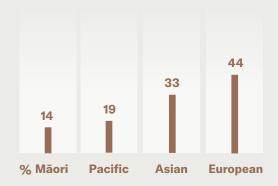
27%

59%



Ethnicity

2018



Training & Qualification



	Qualifications	Programmes	Enrolments 2023
Level 3	2	8	310

INFORMATION

Our businesses

Number of business 75

11% Change in Business over last year (2022-2023)

Māori owner business 2021

Self-employment 2023

Business size FTE per business 2023

0% @ 95

Our economy

\$140m GDP 2023

► GDP per FTE

\$64,646

Change in GDP over last year (2022-2023)



Enrolme 2023 vs 20		Enrolment 2023 vs 2022	Completion 2022	Completion 2022 vs 2017	Completion 2022 vs 2021
-73	%	-14%	80	-87%	23%

TOP OF MIND

To help us reach the future state, we need to understand and tackle the challenges that the Contact Centres industry faces, while also seizing the opportunities that already exist or are on the horizon.

Embracing change and technological advancements



- ▲ There are a rising number of different digital channels for customers to list their questions and issues. Many customers continue to value the ability to speak directly to staff at contact centres to address their concerns. As a result, there is a steady demand for traditional voice and chat services and a need for emotional intelligence and customer service skills.
- ▲ The shift towards cost efficiencies has led some organisations to outsource services overseas, meeting business demands in a competitive market. However, this trend is balanced by a growing emphasis on technological innovations, such as artificial intelligence (AI) and automation.
- ▲ However, technology is just part of the solution, not the entire solution. Therefore, the question is how best to integrate voice and digital modes to provide the best customer service across all channels.

Growing demand and changing customer expectations



- ▲ With the surge in online sales and services, organisations are expanding their contact centres to manage the growing volume and complexity of customer interactions.
- ▲ Customers also have increasingly high expectations and are more easily able to switch their business elsewhere. This means the role of contact centre staff is more important than ever to ensure customer loyalty and retention. This also demands greater availability of contact centre staff outside the normal business hours.
- ▲ Organisations need to evaluate the skill level of existing kaimahi and provide training where required to ensure the workforce is prepared to support multiple media channels and the increasing diversity of customer interactions.
- ▲ The industry has evolved and is adapting to new digital systems to better respond to consumer needs.

These challenges are not new, as we have seen these continuing trends over recent years.

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Workforce resilience

- As a result of an increasingly digital environment, there is increasing pressure for industry to support a more flexible workforce with part-time and varying hours.
- ▲ This could help address industry-wide workforce shortages and burnout due to changing customer demands and limited staff numbers.
- ▲ Building a culture to support kaimahi and demonstrating clear career pathways for them, is critical to addressing these issues.
- This will support kaimahi in their roles and help them develop within their careers, build kaimahi resilience, and in turn improve retention rates.

Staff safety and mental health



- ▲ Many contact centre businesses are proactively investing in staff safety and mental health, offering de-escalation and resolution training to handle challenging situations. These efforts demonstrate a commitment to creating a supportive and safe work environment.
- ▲ This is critical as many kaimahi face abuse from the public, and protecting their mental health is fundamental to them being able to work safely and effectively. In addition this

supports a positive customer experience and creates a better perception of the industry.

▲ This support includes contact centres allowing staff time to decompress after serving an angry customer, employers balancing customer needs with employee needs by re-evaluating metrics such as call time and first call resolution, and investing in recruiting and training staff.

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AIAND TECHNOLOGY IN CONTACT CENTRES

There are a number of considerations for industry to consider when adopting new technology such as Artificial Intelligence (AI) and developing analytics. These tools will undoubtedly impact the roles and responsibilities of the Contact Centre workforce and how they deliver and enhance the customer experience. Industry will continue to leverage technology to meet evolving customer demands while ensuring operational efficiency and security in contact centre operations.

This aligns with some key digital transformation trends of 2024 identified by Customer Contact Network New Zealand (CCNNZ) in recent research¹:

Increasing efficiency for workers and customers

The potential uses and applications of Al and analytics are expanding. They can be utilised for more than just process automation; they can also be used to support the analysis of customer interactions, behaviours, and trends to assess how businesses can improve the overall customer service experience. Al and analytics can also be used to direct and triage calls efficiently based on various criteria, and actually understanding abstract context and sentiment, thereby reducing wait times and improving resolution rates.





Strategies for Keeping Customer Contact Centres in New Zealand

Improving customer experience

Contact centres need to use AI and analytics to support the customer experience and avoid employing robotic voice and basic chatbots, which would alienate customers. Instead, industry can use these digital tools to deliver personalised and empathetic responses. This personalisation of offerings including tailored service approaches, could promote customer loyalty and retention.

Promoting accessibility for customers and workers

Deep learning and generative AI are supporting customers to access contact centre services in many different ways, including reducing barriers such as language or accent as AI can easily understand and deliver the required answers. This will reduce frustration, promote accessibility of services, and support the customer experience.²

Creating training opportunities for workers

There is an increase in the number of hybrid contact centres, blending on-site and remote operations. This has workforce training implications, as contact centres are increasingly requiring workers to respond through different multimedia channels simultaneously and upskilling on technology usage may be required. In addition, analytics and Al can be used to assess employee performance and identify training opportunities for workers based on recorded intgeractions, and assist workers to adapt to changing behaviours and requirements.

Increasing revenue for industry

The financial advantages of automation are clear, with processes in HR and finance becoming more streamlined and freeing up kaimahi to focus more on customer needs and the quality of the experience.

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INDUSTRY PRODUCTIVITY

Productivity is built on decades of investment – in skills, knowledge, technology, culture and relationships.

Productivity in business means being able to do more with fewer people. Businesses with high productivity are more resilient, able to adapt to changes more easily and promote growth and innovation. High business productivity per capita means an improved wellbeing by increasing the nation's income and our ability to produce and afford the goods and services that underpin a happy, healthy life.

Digital Uptake in Contact Centres will support industry productivity

Technology investment is key to contact centres improving efficiency and lifting productivity in the industry (as discussed in the Application of Al and technology in contact centres section of the action plan).

The 2023 Customer Contact Network New Zealand (CCNNZ) Industry Research Report identified the three most common technology investments by industry:

- ▲ Chatbot (38%)
- Process Automation (36%) and
- Speech Analytics/Natural Language Processing/Speech Analysis (23%).3

These investments will support industry to identify customer trends, automate processes where possible and overall create a more efficient and improved the customer experience. This evident as reports show that investment on conversational AI solutions within contact centres worldwide reached \$1.99 billion in 2022 and is predicted to reduce costs by \$80 billion by 2026.4



³ Customer Contact Network New Zealand (CCNNZ) Industry Research Report (2023) (spark.co.nz)

⁴ Forbes (2023), <u>How Generative AI And ChatGPT Are Shaping The Contact Center (forbes.com)</u>

CHANGING WORKFORCE DEMOGRAPHICS

The demographics and other characteristics of New Zealand's population are dynamic – encompassing aspects such as ethnicity, age, gender, or the experience of a disability.

This has implications for the Service sector, and more specifically, for the Contact Centre industry. It will change who services are delivered for and by, even the range of language options they offer. Noting that there are already a high proportion of Māori and Pacific people working in the contact centre industry, it will become more important for industry to reflect its workforce and customers, and for that workforce to be more culturally aware. This will support contact centres in remaining local and maintaining customer relationships in a culturally rich,

and diverse market. There is proven economic and social benefit for employers, the workforce, and the wider communities.

Industry will be able to attract and recruit more people into the workforce, ensure that those workers feel safe and valued in their roles, and help them to promote the customer experience and loyalty.

Each of these groups makes a unique contribution to the Service sector, and businesses will benefit from recognising this contribution and being responsive to their individual needs.





There is a high proportion of Māori in the Contact Centre industry, at approximately 14% of the contact centre workforce.

Māori business ownership

There are a number of Māori-owned businesses in the industry (11%) which often focus on supporting Māori in the sector. A deep purpose and long-term horizons are crucial for Māori business. From this foundation, financial sustainability will come, and in turn, Māori will provide employment opportunities for rangatahi and whānau, to find creative ways to keep people employed in times of adversity and to showcase their culture and express themselves to others through their product. Therefore, it is important for businesses to understand the funding and supports available to them to enable them to thrive and grow.

Leadership and management

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 in finance and banks, and into leadership positions and management roles.

Cultural competency

Increasingly workplaces are taking steps to ensure they are welcoming and reflective of this unique Aotearoa context, for example by supporting Te Ao Māori training, emphasising the alignment of cultural values. Additionally increasing Te Ao Māori practices across the board will build a better workplace environment for employees, where their values are acknowledged and identified as a strength. This will promote an industry with a robust Māori workforce that bring a wide skiillset associated with Te Ao Māori with them.



There is a high proportion of Pacific peoples in the Contact Centre industry, at approximately 19% of the contact centre workforce.

Career pathways

Contact centres have a high proportion of Pacific workers, compared to both the Service sector more broadly and the New Zealand workforce. The industry provides clear pathways to leadership and managerial roles which provides opportunities for Pacific people in terms of career progression and skill development.

Accessibility of training

The industry has a high proportion of Pacific workers, some of whom are second-language English speakers. However, this is not taken into account for training material and qualification requirements, particularly for literacy and numeracy, as these are often written in a way that does not resonate with Pacific workers. These requirements often mean that training and development opportunties are not always accessible and this can prevent Pacific workers from successfully pursuing higher level credentials and leadership roles. Therefore, it is important for industry to better understand the needs of their workers and also ensure that tailored training is offered to Pacific workers, along with pastoral care; both have been identified as critical to supporting and retaining kaimahi of Pacific descent.

Values-based work

The industry is well aligned with Pacific values, particularly its focus on assisting others, and working collaboratively as a team. Having a high proportion of Pacific people enables contact centres to better understand and reflect the needs of their increasingly diverse customers.

Cultural sensitivity and respect

Ensuring workplaces are inclusive of Pacific cultural practices and traditions, including appropriate observance of cultural holidays and ceremonies. Providing cultural competency training for employers and managers to better understand and support Pacific workers.

For Pacific communities, cultural competency extends beyond understanding cultural practices. It involves recognising and aligning with core values that uplift organisational capabilities. This approach fosters an environment where all employees feel valued, heard, and seen, promoting continuous improvement and inclusivity.



Māori succeeding as Māori

Attracting and retaining the future workforce

Actions

Where we would like to be

- ▲ 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.
- ▲ Improve the availability and use of high-quality information about the Service sector
- ▲ Increase participation of Māori, Pacific People, Tāngata Whaikaha, and other groups.
- ▲ Ensure the industry is visible and promoted to a wide range of potential ākonga and kaimahi. Organisations with a role in workforce development work collaboratively and have well understood roles.

Initiatives

What we can do to get there

Service sector initiatives

- ▲ Establish and grow the Māori Service Sector Forum. (Joint Ringa Hora and industry)
- A Ohu Ahumahi collaboration (Rōpū Kaitakawaenga) to build relationships with iwi and hapū to better understand Māori aspirations. (Ringa Hora)
- ▲ Utilise Te Kāhui Mātauranga Māori to a Mātauranga Māori lens to Ringa Hora product design and quality assurance approaches. (Joint Ringa Hora and industry)
- ▲ Undertake the Future Workforce project that aims to understand work, skills and training in New Zealand in 2040. (Ringa Hora)
- ▲ Amplify work that aims to grow participation of particular groups such as Pasifika Navigators of Tomorrow or Jobs for Mums. (Industry)
- ▲ Promote the use of Te Mata Raraunga, a collection of vocational education and workforce data. (Ringa Hora)

Contact Centre

Specific initiatives

- 1. Industry and WDC's to showcase successful Māori businesses and role models in the industry to further attract Māori to the industry. (Joint Ringa Hora and Industry)
- **2. Businesses to improve** access to Te Ao Māori training (Industry)
- 3. Create targeted events, information, and services to increase exposure for different people and places, such as careers expo's and events (Industry)
- **4. Develop content about** a range of jobs for the TEC Careers Services to use in its products such as the current careers.govt. nz website and the planned successor, Tahatū (Industry)
- **5. Encourage employers in** the Inspiring the Futures programme with local schools (Industry)
- **6. Promote Contact Centre** awards as an opportunity to recognise innovative work being done in the sector. (Industry)

Putting this into action for the Contact Centre services

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

Developing broad skills for the future

- ▲ Vocational education and training is flexible and adaptable to industry needs.
- ▲ Workforces and businesses are well prepared to adapt and innovate.
- ▲ Investment decisions are transparent and based on high quality advice.
- ▲ Create a package of short, sharp, stackable credentials through Waihangatia te Āmua Ao | Shaping the Future of Service Skills project. (Ringa Hora)
- ▲ Amplify work that supports people to learn about broad skills for the Service sector, such as MBIE's Digital Boost initiative. (Joint Ringa Hora and industry)

- Creating mana-uplifting jobs and opportunities
- ▲ Workplaces are accessible and attractive to the current and future workforce.
- ▲ The workforce is recognised, valued, and safe.
- ▲ The range of roles is articulated and available.
- ▲ Learning and skills development supports upwards and lateral progression.
- ▲ Develop an 'employer hub' that shares resources, information, and case studies of Service sector excellence Targeted at SMEs. (Ringa Hora)
- Amplify approaches that improve diversity, equity and inclusion, such as Diversity Works, Living Wage, and Rainbow Tick. (Industry)

- 7. Collaborative work between industry, government agencies, and Ringa Hora to
 - a. improve the transparency about vocational education and training funding
 - a. ensure high quality information is available to inform Government policy and investment decisions. (Joint Ringa Hora and Industry)
- **8. Increase provision of** digital literacy training for workforce (Joint Ringa Hora and industry)
- 9. Businesses work to gain recognition of quality in-house training specific to the needs of the business. (Industry).

- 10. Businesses work to ensure they employ good leaders in the sector, encourage professional development and career progression, and provide pastoral care. (Industry).
- 11. Improve transparency of pathways by mapping job roles to education and other relevant requirements (Joint Ringa Hora and Industry).

To support progress with these actions, we have monitored what has been achieved in the last 12 months and what more will be deliverd in the future.

Contact Centres Workforce Action Plan

What has been delivered in the last 12 months

Industry and WDC's to showcase successful Māori businesses and role models in the industry to further attract Māori to the sector

In February 2023, Ringa Hora worked with industry to re-launch a marketing project called Service100 to (a) Highlight industry future through storytelling (b) Grow brand awareness to highlight what Ringa Hora can offer to industry (c) increase engagement to channel voices

Businesses to improve access to Te Ao Māori training

Businesses are continuing or are starting their Te Reo Māori journey. Some organisations have incorporated Te Reo in their documentation, social media and incorporating Māori practices such as Karakia.

Create targeted events, information, and services to increase exposure for different people and places, such as careers expo's/ events

Since 2020, Learning Planet has provided the Ministry of Social Development programmes with its partners to help bring people into employment in the contact centre industry.

Develop content about a range of jobs for the TEC Careers Services to use in its products such as the current careers.govt.nz website and the planned successor, Tahat \bar{u}

TEC has updated the Tahatū interactive careers website to provide a personalised experience that help people figure out what kind of work they might like to do, and how they can get there. Tahatū was released as a pilot to a small number of secondary schools on 2 April 2024. You can read more about the plans for this at Tahatū pilot.

Employers participate in the Inspiring the Futures programme with local schools

The Inspiring the Future programme is one of TEC's priority workstreams connecting role models with primary and intermediate school students. Role models talk about their jobs, career pathways, any challenges and the skills they have developed. This initiative is open to Contact Centre kaimahi to sign up as role models.

Promote Contact Centre awards as an opportunity to recognise innovative work being done in the sector.

CCNNZ host the Contact Centre awards annually. You can find out more about this here. This event recognises and celebrates excellence and promotes thought-leadership, professional networking and shared learning.

In addition, CRM Consulting host the CRM Contact Centre Awards which was started up in 1997 to recognise the importance of providing their customers with superior customer service. You can find out more about this event here.

Learning Planet is a partner sponsor with CCNNZ and the CRM Awards

What will be delivered in the next 18 months	Who is responsible?
Ringa Hora has published successful stories and good practices in social media and will continue to highlight pathways into the industry and for existing kaimahi to grow within the industry.	Joint Ringa Hora and Industry
Businesses will continue to or are starting their Te Reo Māori journey. Ringa Hora is working with organisations to capture these insights and look to include them in the Service100 marketing project.	Industry
Industry, Providers and Ringa Hora will continue to promote different channels to support new entrants into the Contact Centre workforce.	Industry
The Tahatū pilot has begun with 10 schools, with numbers gradually increasing over the following months. Tahatū will help all New Zealanders make decisions about what kind of work they would like to do. It is designed to assist those who already know what career they want and to offer tools for people who aren't quite sure and need a bit of inspiration. Tahatū connects NCEA school subjects, qualifications and careers. It will show the most common pathways others have taken to get to that career or job. Tahatū brings this information together for the first time in one place.	Industry
Ringa Hora will continue to promote the Inspiring the Future programme for Contact Centre kaimahi to participate in.	Industry
	Industry



Collaborative work between industry, providers, government agencies, and Ringa Hora to

- a. improve the transparency about vocational education and training funding
- **b. ensure high quality** information is available to inform Government policy and investment decisions.
- **c. Increase provision of** digital literacy training for workforce

Increase provision of digital literacy training for workforce

Businesses work to gain recognition of quality in-house training specific to the needs of the business.

Ringa Hora continue to provide advice to TEC to increase funding for qualifications that support digital literacy for Contact Centre kaimahi.

Funding opportunities for digital literacy programmes are holding the industry back from upskilling staff in this area. Ringa Hora has provided advice to TEC to increase funding for qualifications that support digital literacy opportunities and training for Contact Centre kaimahi.

Learning Planet is a provider that has been working with CCNNZ, MSD and NZQA to offer two certificate courses that will help to improve the skillset of the candidate taking the course and help CCNNZ to provide education of the contact centre workforce. They are working with an NZQA assessor team to mark the workbooks and give feedback to keep an independent 3rd party verification of the certification process. In addition, Learning Planet are working with CCNNZ to recognise this course as an industry association to further acknowledge learners who complete the course. Therefore, this course could serve as a stepping stone between the contact centre level 3 and 4 and would provide the workforce with recognised in-house training.

Businesses work to ensure they employ good leaders in the sector, encourage professional development and career progression, and provide pastoral care.

Ringa Hora is currently doing a review of all business capability qualifications and engaging on a possible leadership qualification/solution which would support business management and leadership skills of Māori business owners.

Te Manu Arataki Leadership Project, led by Ringa Hora, is another example of how Ringa Hora and industry are promoting broad skills for the Service Sector. Early feedback from industry groups and iwi showed there is a desire for more leadership training and qualifications, something this project can play a significant part in delivering. The first three stages of four have been completed:

Stage 1 - Environmental scan (November 2023 - February 2024)

Stage 2 - Review scan outcomes & public consultation (March - April 2024)

Stage 3 – Qualification review and development of new products if appropriate (April - June 2024)

 ${\bf Stage\,4-Final\,consultation}\,{\bf and\,change\,implementation\,June\,2024}\,\,{\bf onwards}$

Improve transparency of pathways by mapping job roles to education and other relevant requirements

The Tertiary Education Commission (TEC) has updated the Tahatū interactive careers website including security occupations, to provide a personalised experience to help people figure out what kind of work they might like to do, and how they can get there. Tahatū was released as a pilot to a small number of secondary schools on 2 April 2024. You can read more about our plans for this at Tahatū pilot.

	Joint Ringa Hora, Industry and Providers
Ringa Hora will continue to provide advice to TEC to increase funding for qualifications that support digital literacy for Contact Centre kaimahi.	Joint Ringa Hora and Industry
The Ministry of Social Development and CCNNZ have partnered with two contact centre industry providers to offer a special certified online course that will help you become employment ready in the contact centre and similar industries. You can find more information about this here.	Industry and Providers
The Te Manu Arataki Leadership Project is currently in Stage 4 – Final consultation and change implementation June 2024 onwards. In the next 12-18 months Ringa Hora will implement and promote the outputs from this work.	Joint Ringa Hora and Industry
The Tahatū pilot has begun with 10 schools, with numbers gradually increasing over the following months. Tahatū will help all New Zealanders make decisions about what kind of work they would like to do. We have designed it to help those who do know what career they want and to offer tools for people who aren't quite sure and need a bit of inspiration. Tahatū connects NCEA school subjects, qualifications and careers. It will show the most common ways others have taken to get to that career or job. Tahatū brings this information together for the first time in one place.	Industry



