

Putting people first

Case Study: New Zealand Post

For at least five years, the Future of Work has been a major priority for New Zealand Post as it's responded to significant and rapid changes in its customers' needs. The State-Owned Enterprise collects, processes and delivers mail and parcels across New Zealand and the world. It currently employs and partners with 6,500 people - from permanent and casual staff to contractors. While the company is proud to have reported revenue from operations of \$877m in the financial year ending 2018, its reason for being is broad: to deliver what people care about.

Driven by change

Many factors have driven, and continue to drive, New Zealand Post's commitment to the Future of Work:



1. Changing customer needs

"As our stakeholders' values change, so must we," says Jon Later, Head of Talent, Management and Sourcing at New Zealand Post. "Over the past 10 years, online shopping has increased, and more people communicate electronically. Mail volumes have dropped by a weekly average of approximately one million letters while parcel volumes have soared," he adds. "We needed to do open heart surgery on our core business - to move from a mail-centric business that also manages parcels to a parcel-centric business that also manages mail."

2. Future ready workforce

New Zealand Post supports one of the country's most diverse workforces by age, gender, ethnicity, experience and skills. Peter Taylor, GM People Capability and Safety explains, "We reflect New Zealand as a whole, and therefore need to accommodate a wide range of changing values and needs.

"For example, we need to know what's important to millennials and offer them jobs that resonate with their values. We need them to see us as their 'employer of choice'. Equally, we need to think about those getting closer to the 'traditional' end of working life and consider how we help them into

meaningful, ongoing, work if they choose to stay employed.”

3. Climate Change

Playing a part in the transition to a low carbon economy, New Zealand Post has reduced its carbon emissions through its fleet of electric vehicles and research into alternative packaging solutions.

New Zealand Post has already started on this journey and is collaborating with local and global companies that have signed a commitment to develop 100 percent reusable, recyclable or compostable packaging by 2025 or earlier. They recognise sustainable packaging is good for profits as well as the planet.

A broad and collaborative approach

Like any business committed to sustainability, New Zealand Post is no longer driven by its ROI to shareholders alone. “We’re taking a broader perspective and shaping our business for the benefit of New Zealand as a society, not just for our company. Once we’ve identified a potential issue, we establish how we can use each of our six capitals (not only our financial capital) to solve it,” says Peter.

1. People

“We’re always asking, ‘how do we create value for people?’ We can only prosper if our staff enjoy being part of our company and feel enabled to do their jobs well. We’re committed to setting them up for success,” explains Jon.

New Zealand Post has adopted the concept of High Performance High Engagement (HPHE) to find innovative solutions for

complex opportunities or problems. “It’s not a case of ‘we’ve solved it’. It’s rather ‘here’s a problem, let’s work together to find the best solution,’” says Peter. “Consulting with staff

(and their unions) most impacted by changes in our business, gives everyone the chance to share their perspectives and get the right support at the right time.”

2. Expertise

Regardless of how tight the employment market might be, New Zealand Post must fill every role, and to do that it needs the right staff with the right skills and experience at the right time.

“We need to make every role attractive and of value to potential staff. Some jobs are physically demanding, socially inconvenient and not compatible with families. If we want the right people, we need to offer them something they need.”

Jon Later, Head of Talent, Management and Sourcing, New Zealand Post.

What’s right for staff in one part of the country might not be right for another. Jon adds, “Sometimes we need to achieve a certain outcome across New Zealand but our staff’s needs vary between regions, for example: metro Auckland versus rural Canterbury. We’ve got to be flexible.”

As customers’ needs change, the company is requiring different things of its staff. For example, many posties were attracted to the active and outdoor nature of the job. Many didn’t have driver’s licenses, but now they need to be licensed to drive the company’s fleet of electric vehicles.



3. Networks

The extensive physical assets New Zealand Post owns or leases enable it to process and deliver high volumes of parcels and letters.

New Zealand Post aims to develop and manage sustainable, resilient, and responsive networks that have the ability to deliver an improved and desired service that meet the needs of all their customers, now and in the future.

4. Relationships

The number and quality of the relationships the company has with its customers and other stakeholders such as communities and suppliers are an important asset.

Their purpose is to add value to these relationships by building and investing in partnerships, and in doing so, creating a more sustainable and prosperous NZ.

5. Finances

The amount of cash New Zealand Post generates through its business and investments.

New Zealand Post aims to create and grow profitability, financial resilience and value for shareholders.

6. Environment

The quality and availability of natural resources, such as the atmosphere, land, water and materials, that it relies on to run its business today and in the future. New Zealand Post is constantly working on reducing its carbon footprint.

Solutions, benefits and consequences

“Some challenges have been easier to solve than others, and some have come with expected and unexpected benefits and consequences,” says Peter.

New delivery runs and schedules (in response to mail being delivered less frequently) required staff rosters to be redesigned. After working with staff and unions, new rosters saw staff enjoy five days off in a row with more time to connect with their families and communities.



In 2013, New Zealand Post developed Future Zone, an award-winning programme that helps displaced staff prepare for alternative careers inside or outside the business. Proactively supporting staff in different ways (e.g. offering budgeting and career advice or teaching resilience strategies) has had a positive impact on their perception of change.

In 2015, smarter delivery methods were introduced to reduce the company’s carbon emissions. Electric vehicles (Paxsters) are now used to deliver both mail and parcels in many cities and large towns across New Zealand.



In 2017, the company made a significant investment in new processing machines in Auckland and Christchurch. More mail automatically sorted and sequenced means more mail arriving at a local branch 'delivery ready', saving posties valuable time. More efficient mail processing removed around \$70 million in costs for the company's mail business.

Whenever New Zealand Post has had to reduce its staff, it's been more cost effective to retrain staff so they can take on different jobs within the business. And by moving staff to new roles in different areas of the company, they're exposed to new tasks so have the chance to learn new skills.

For example, posties previously interacted mostly with the mail department. Now, those driving EV vehicles interact with the parcel department and come face-to-face with customers when signatures are required on deliveries. Their new skills and experience make them even more valuable inside or outside the company in future.

For generations of staff, New Zealand Post's superannuation fund could only be accessed when they turned 65 years old and resigned from their job. By amending the Trust Deed, New Zealand Post will be able to retain and reposition its valuable older staff who are

keen to work beyond the age of 65 in full or part-time roles, while allowing them to make partial draw downs on their superannuation savings to pay off debt or supplement lower income levels.

Ready for the future

New Zealand Post has experienced large-scale transformation and managed significant changes which have impacted on almost every aspect of its business. It is now planning its Future of Work strategies for the next three, five and ten years.

"New technology, the employment market, our customers' expectations... we'll continue to research the factors influencing our business. Being genuinely consultative with our stakeholders and constantly prepared to do things differently is key. We don't know it all, but we're well set up to manage whatever the future holds. Jon Later.

About New Zealand Post

New Zealand Post is a State-Owned Enterprise which collects, processes and delivers mail and parcels across New Zealand and the world. It currently employs and partners with 6,500 people.

About the Sustainable Business Council

SBC is a membership organisation, with a long-term aim to make sustainability mainstream within New Zealand businesses. They do this by inspiring businesses by creating a community of positive change, supporting members to go further and celebrating their leadership and success. SBC is part of the BusinessNZ family and is the New Zealand Global Network partner to the World Business Council for Sustainable Development.

