

Are virtual BPO operations the answer to SA's unemployment crisis?

By [Avesh Singh](#)

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Before Covid-19 came along, work was a place. Today, work is an activity, and loosening the physical shackles of having employees sit at desks in specific locations may help unleash a new wave of prosperity and employment for South Africa and the entire continent.



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South Africa's business process outsourcing (BPO) industry has long been held up as a sunrise sector, which can contribute both jobs and a boost to the economy. By all accounts, government sees this environment as a priority sector, with ambitious plans to create 100,000 additional jobs by 2023 and 500,000 jobs by 2030.

And there's no reason why the sector shouldn't fulfil its potential: the country was voted the most attractive location in the world to procure outsourced skills in 2022, together with India, according to the [2022 Ryan Strategic Advisory Front Office CX Omnibus Survey](#). We have good English language skills, a favourable time zone to service clients across the world, and a massive youth population looking for opportunities.

Suddenly, [investors are seeing beyond Africa's physical resources](#), and are looking to new value chains based on technology and telecommunications, agribusiness and energy. With almost 60% of Africa's population under the age of 25, we're the world's youngest continent by some distance – and as the rest of the world ages, global businesses are increasingly going to have to turn to Africa to bolster their workforces.

This is just as well. According to Stats SA's latest [Quarterly Labour Force Survey for Q3 2022](#), South Africa's unemployment crisis is showing signs of easing, with the overall unemployment rate falling to 32.9%. But for the youth, the picture remains dire: 59.6% of those aged 15-24, and 40.5% of those aged 25-34, are jobless. But as technology advances and accelerates the trend towards virtual work, suddenly BPO is taking on new significance as a potential major source of employment.

Evolution of the BPO centre

The sector has come a long way since its early call centre days, which saw vast warehouses filled with people making and receiving calls in tiny cubicles. Times have changed. In 2022, the old-style contact centre has evolved to deliver a range of increasingly strategic business services, including producing project plans, performing quality assurance, and running data analytics. It's something South Africans are very good at, by all accounts.

But what if you didn't even need a physical building to start with? That's the question we asked when TransUnion's Africa Global Capability Centre (GCC) was set up and launched in March 2021 to support our global information and insights company's businesses worldwide. By November 2022, it's already grown to more than 600 people, with more to come.

While it has much in common with other BPO offerings, the GCC is an interesting alternative in that it's a TransUnion operations unit that provides a wide range of support services across professions and disciplines to teams within the business, all over the world.

And here's the kicker: it doesn't have a physical building. The GCC is 100% virtual, with every employee working from home.



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This virtual model is a potential game-changer not only for the industry, but for South Africa's unemployed. Right now, the only thing that costs outsourcing operators more than facilities is the cost of the people themselves. Remove the cost and time required to create the facility from the equation, and suddenly operations can ramp up almost overnight. This offers the industry the chance to grow exponentially – and in the process, make a real dent in our country's staggering unemployment numbers.

Virtual businesses also bring other benefits that are particularly relevant in a South African context. In this model, many mothers, who would not be able to meet the time demands of a full-time office-based job, can now work from home. This is a cohort that's being left behind economically by other companies – and the virtual model is literally transforming their lives.

Secure solutions

Of course, there are challenges too. If you're going to run a virtual operation, you have to ensure that the technology solution in the workplace, which is effectively the employee's home, is robust and secure.

This starts with connectivity, and fibre connections must be standard, with mobile connectivity as a backup. Living in South Africa means we live with the reality of rolling blackouts, so the next piece of tech that goes into the home is a heavy-duty battery pack which keeps a laptop and Wi-Fi running for up to six hours.

Sophisticated software systems that ensure data security and compliance are also essential as they allow people to have personalised interactions with their customers, while maintaining a centralised view of all operations and supervising performance through a single dashboard.

But perhaps the biggest challenge of a virtual operation is maintaining ongoing human interaction and creating new styles of leadership that measure people on their activities and outputs rather than their presence in a seat for a fixed number of hours. Relationships in the workplace have traditionally been built around the watercooler or grabbing a sandwich for lunch. In a virtual environment, you've got to work harder to make sure everyone stays engaged and connected.

Eighteen months of building the GCC has shown us just what's possible from a virtual environment: More than 600 South Africans are working for a global business from their own homes, providing essential and skilled support services to their colleagues all over the world. There's every reason for other businesses – in South Africa and abroad – to emulate this model as they'll benefit from excellent people doing remarkable work for them, while helping address South Africa's chronic unemployment statistics.

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