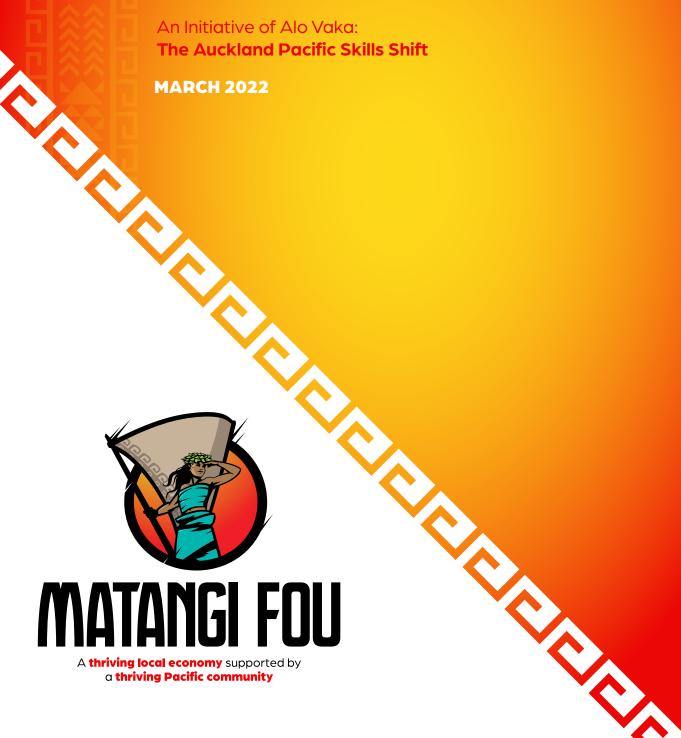
REPORT 5

UNDERSTANDING THE ECOSYSTEM

Using an ecosystem approach to inform the design of the Future of Work for Pacific communities

An Initiative of Alo Vaka:





We wish to acknowledge and thank those who participated in a representative cohort that was convened to provide insights for the current reality analysis. We are grateful for their time and valuable knowledge for contributing to the development of this report.



The Cause Collective

The Cause Collective is a community organisation that aims to create the conditions for communities to thrive from this generation to the next. The organisation is focused on transforming the way in which community and public services are experienced by individuals, families and whole communities.

As a population-focused organisation, TCC has a particular interest in Pacific peoples across Aotearoa, underserved and South Auckland communities. The organisation works upstream to address the causes of complex problems and further downstream to strengthen prevention systems. This is achieved by delivering end-to-end services to communities, clinical and provider networks and to delivery partners.

For more information about the Matangi Fou initiative please contact:

Contact

P. + 64 9 869 02433 | E. info@thecausecollective.org.nz | **www.matangifou.nz**A: 15 Earl Richardson Avenue, Manukau

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Matangi Fou is the name of an initiative that partners Pacific communities and business leaders with The Cause Collective, to deliver a set of breakthrough initiatives to support the Future of Work. These initiatives aim to create conditions for transformation in the labour market for Pacific workers and their families. The initiatives have a focus on Pacific peoples who live in South Auckland but are designed for scale with communities facing similar challenges.

The shared goal we are working towards is that the Pacific workforce actively participates in quality employment opportunities in new and emergent industries. Transformation looks like a thriving local economy supported by a thriving Pacific community.

Note on terminology used in this report

For the purposes of Matangi Fou, the terms **Future of Work** and **jobs of the future** are used interchangeably to describe employment opportunities in new and emergent industries. The terms also refer to the reconfiguration of existing industries which will need to respond to demographic shifts, globalisation, COVID-19, climate change and technology advancement. These terms consider that some jobs and industries will cease to exist if they are unable to adapt to labour market conditions.



Table of Contents

About this Report	7
Key findings	7
Conclusion	7
Methods used	8
Limitations	8
Definitions	9
Introduction	10
Diagram One: Matangi Fou ecosystem	11
Demand-Side Entities	12
Diagram Two: Matangi Fou demand-side entities	13
Supply-Side Entities	15
Diagram Three: Matangi Fou supply-side entities	16
Identifying the Actors in Systems Change	17
Diagram Four: Process for Actor Mapping	17
Diagram Five: Matangi Fou Actors Map	18
Macro-Level System Mapping	19
Diagram Six: International reference environments from August 2021	19
Discussion	20
Summary	22

About this Report

This report provides an overview of the ecosystem mapping exercise that was completed by The Cause Collective in 2021 as part of the Matangi Fou report series. The aim of the exercise was to better understand the connections between the labour market, Pacific workers and their families in South Auckland. Ecosystem mapping is useful for understanding leverage points within a system to improve the interactions and experiences of system actors¹ and end-users. A range of tools have been used to complete the ecosystem mapping exercise which include:

- · systems mapping
- actor mapping
- · six conditions of systems change
- · international literature scan

Key findings

There are six key findings from the ecosystem mapping exercise:

- 1. COVID-19, supply chain disruptions, and geopolitical conflicts have impacted on worker preferences. While the labour market will try to revert to its pre-pandemic settings, job seekers have changed their patterns of behaviour for the foreseeable future. This labour market disruption provides an opportunity to propel Pacific workers from their current realities into the jobs of the future.
- 2. In the Future of Work, parts of the labour market will need to operate differently to change their connections and interactions with other parts of the system as a 'whole'. For some system actors this will be difficult to achieve because they are part of large bureaucratic systems that are not able to pivot easily. A strategic approach to identify the key macro-level levers combined with an incremental change programme will be required to advance Matangi Fou and the Future of Work for Pacific peoples.
- 3. A critical enabler of the Future of Work will be leveraging the social and cultural capital systems that operate within Pacific communities to offset system insufficiencies. From a cultural point of view, this system represents the principles of a village system in action.
- 4. Careful thought must go into creating win-win scenarios for both demand and supply side entities to enable power sharing across the system (e.g. productivity increases when you improve worker conditions).
- 5. Coordination of the large 'cast of actors' to work as one cohesive unit will be critical to the success of Matangi Fou.
- 6. Inertia at all levels of the system is a significant force that works to keep the conditions holding the problem in place deeply entrenched. This reinforces the need for intentional and targeted interventions to overturn system inertia and the other conditions which make transformational change difficult to achieve.

Conclusion

The ecosystem mapping exercise affirms the view that the Future of Work is not something for a distant future, it is already here. This is demonstrated by the way in which job seekers are behaving in employment systems across the world. Governments and communities that adapt quickly to disruptive changes in the labour market will not be left behind but will feature prominently in the jobs of the future. Matangi Fou is well positioned to ensure Pacific workers and their families, and South Auckland business leaders are prepared and supported for the Future of Work.

¹The term 'system actors' refers to all the stakeholders whose actions directly or indirectly affect a systems change initiative.

Methods used

This report applies systems thinking and critical thinking to understand what is happening in the ecosystem. Systems thinking is an approach to analysis that considers the component parts of a system and how they interact and influence each other as part of a whole system². The six conditions of system change³ are used to understand system behaviours and the forces holding the problems in place. Explicit conditions include policy, practice and resource flow, while semi-explicit conditions include power dynamics and relationships. The final condition, mental mode, sits at the implicit level.

Critical thinking is derived from the theory of constraints which suggests that overall improvement of a system can be achieved by exploiting the constraint (e.g. resources, policies, procedures, beliefs). This is achieved by understanding the negative realities of individuals to identify the causes, conditions and necessary actions required to overturn those conditions⁴.

As part of mapping the external forces which influence the system, a literature scan was undertaken to understand international trends and reference environments from the United States, Australia and China.

When analysing Pacific data, the critical thinking team applies the organisation's cultural frames of reference which are grounded in Pacific values and pedagogy, underpinned by the principles of Nga Vaka o Kāiga Tapu⁵.

Limitations

The mapping process did not apply design thinking methodologies and therefore does not extend to designing for the end-user experience. Further work would be required at a sector specific level to determine end-user experience across industry domains, with a greater level of analysis and input from system actors.

A further limitation is that the information sources are based on a snapshot in time. There have been significant developments in international markets which have occurred after the analysis was completed. New Zealand has only begun to see the flow-on effects to the cost of living and the economy as this report was being published.

 $^{^2\,}Stroth, D.\,(2015)\,Systems\,Thinking\,for\,Social\,Change, Chelsea\,Green\,Publishing, United\,States\,of\,American Chelsea\,Green\,Che$

³ Kania, J.; Kramer, M.; Senge, P. (2018) The Water of Systems Change, FSG, downloaded from https://www.fsg.org/resource/water_of_systems_change/.

⁴Goldratt, E. (1999) Theory of Constraints, North River Press, Great Barrington, United States of America.

⁵ Nga Vaka o Kaiga Tapu are eight Pacific ethnic-specific evidence-based frameworks developed in partnership with Pacific communities nationally and the Ministry of Social Development. These frameworks share a set of principles which guide practitioner practice to uphold the wellbeing of Pacific families and communities.

Definitions

The following distinctions are made for the terminology:

Supply-side entities: business, business owners, entrepreneurs, government, education and training institutions and sector leaders.

Demand-side entities: individuals, families and communities, faith-based groups, cultural groups and their leaders.

System: Refers to the connected parts of a whole that are dynamic and influenced by explicit, semi-explicit and implicit conditions.

Ecosystem: For the purposes of this document, the ecosystem refers to the sub-set of the labour market that is specific to Matangi Fou.

Dependencies: One part of a system is controlled or reliant on another part of the system. The connection is unidirectional.

Interdependencies: Interactions between parts of a system are both autonomous and dependent. Parts are viewed as interrelated parts of a whole.

Independent: Independent parts act autonomously. Although they may be connected to other parts of the system, they are not reliant on, or significantly affected by other parts of the whole.





Introduction

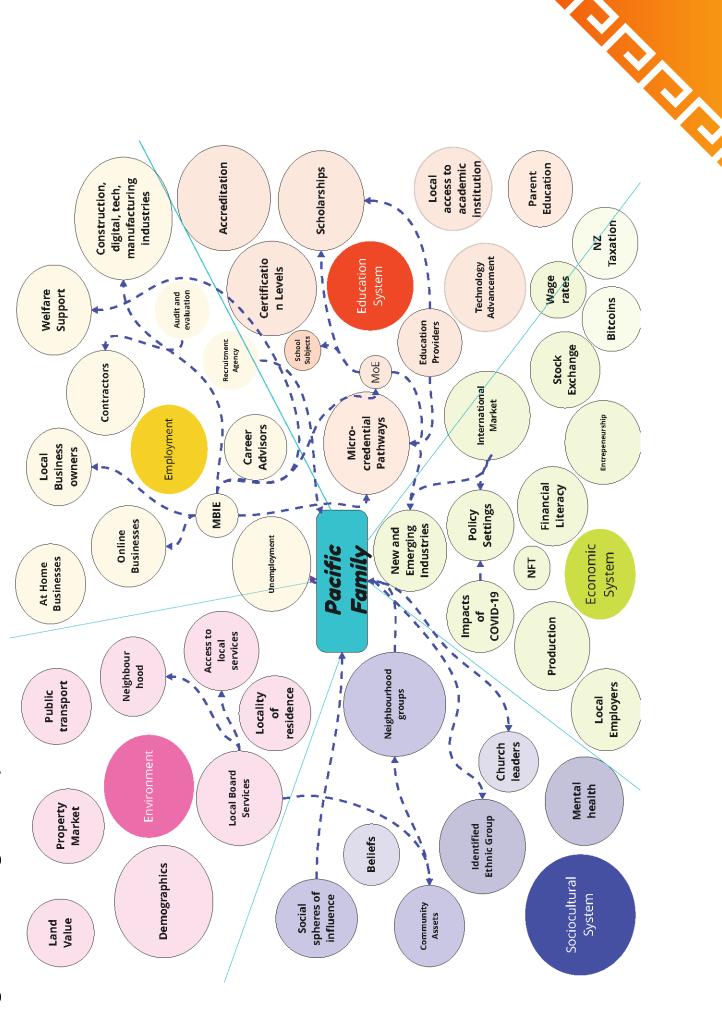
Matangi Fou seeks to implement a set of breakthrough initiatives which aim to create conditions for transformation in the labour market for Pacific communities. Ecosystem mapping has been used to obtain a deeper understanding of the systems which influence our complex problem, its causes and the conditions which hold the problem in place.

Ecosystem mapping helps us to identify the different parts of a system and how they interact with one another. This surfaces insights about system stakeholders and their relationships, belief systems, power dynamics and inequity.

Diagram One below provides an overview of the different parts of the Matangi Fou ecosystem from the perspective of a Pacific worker. This diagram affirms that the problem of Pacific people's lack of participation in the Future of Work is complex, because of the many parts of the system which a Pacific worker navigates. The diagram is useful for taking a whole systems view of the Matangi Fou initiative.

Note: In all diagrams the Pacific worker is depicted within the context of their family sub-system. This is important because we know from the insights gathered from Matangi Fou is that most decision making about the Future of Work will be made by a Pacific worker from within this sub-system.

Diagram One: Matangi Fou ecosystem

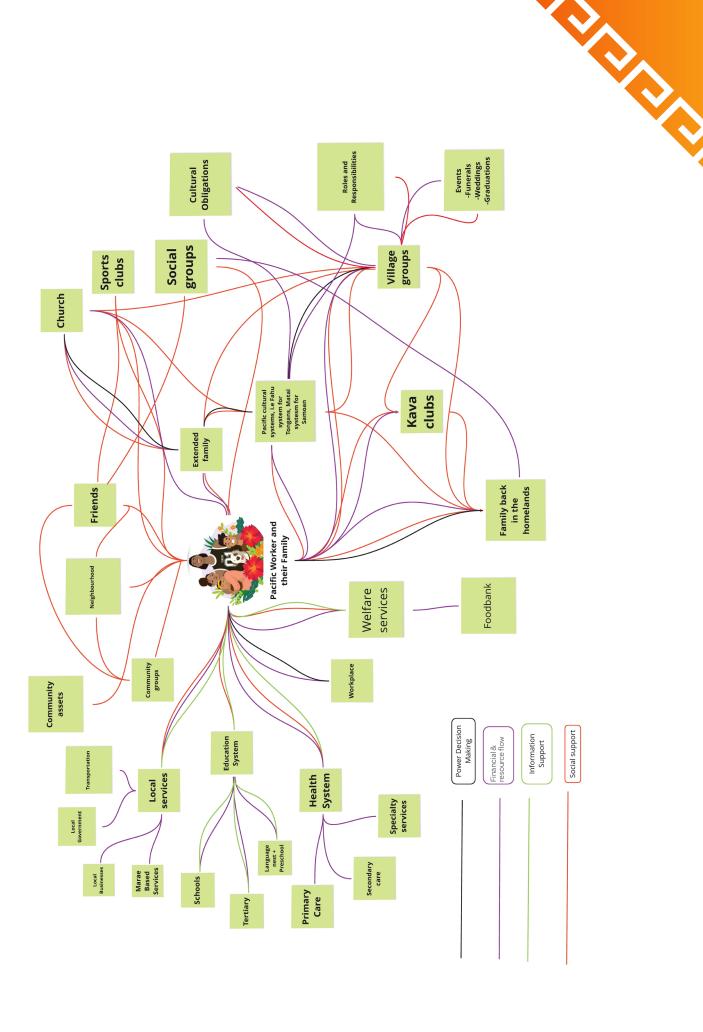




Demand-Side Entities

Diagram Two takes a closer look at the Matangi Fou ecosystem by exploring the demand-side entities and the connections within the system. The entities have been identified based on the information provided through the insights gathering process completed for Matangi Fou. Four predominant connections and flows identified in this part of the ecosystem were:

- social supports
- information flows
- financial and resource flows
- power and decision making



This map places the worker and their family at the centre of the ecosystem and then builds out the different entities associated with the worker. From here the connections are mapped and nodes begin to appear resulting in a more detailed understanding of the interdependencies and dependencies in the ecosystem. From this process there are three insights to be made:

- · A human, social and cultural capital system operates in Pacific communities that provides social supports, finance and resource flows where there are insufficiencies in existing systems to meet immediate need (e.g. limited income, poor housing, no food, cost of childcare is prohibitive). This sub-system operates interdependently. From a cultural point of view this system represents the principles of a village system in action.
- There are implicit conditions that exist within this part of the ecosystem that are not necessarily obvious to those who are outside of this system. For example, decision making and power dynamics in this system are heavily influenced by family members and the wider collective that supports the Pacific worker.
- · Trusted relationships, leaders and intermediaries within this system symbolise nodes of influence and levers for systems change. This level of trust was not prevalent in the supply-side entities of the ecosystem.



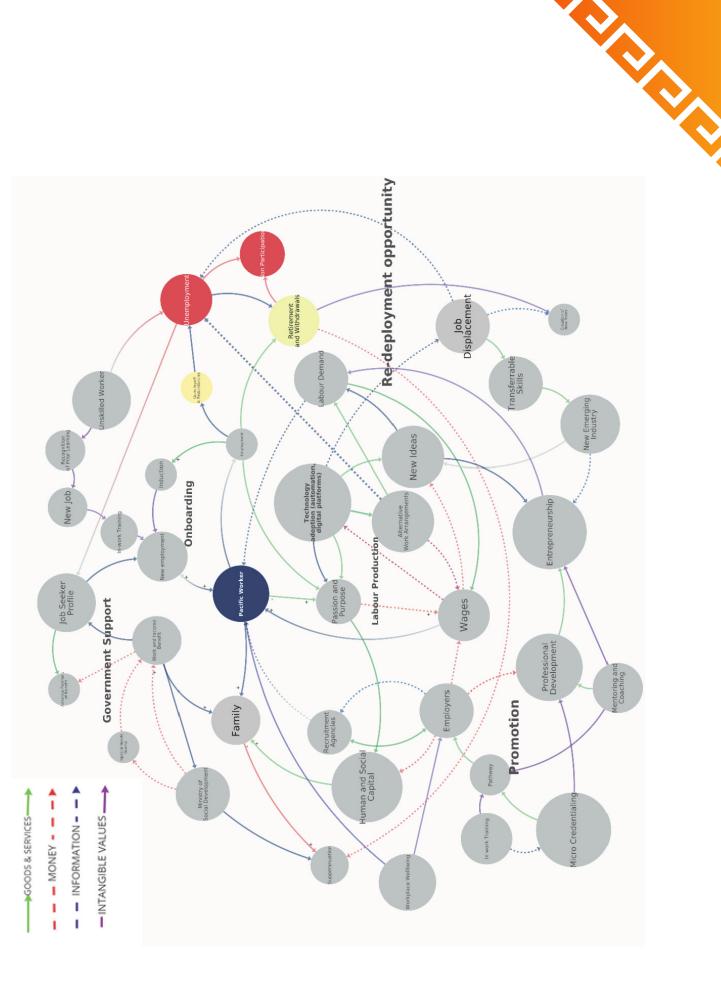


Supply-Side Entities

The ecosystem map of Matangi Fou supply-side entities depicts a whole system view that includes all the necessary entities for Pacific people's participation in the jobs of the future. Taking a closer look at the connections and the interrelationships that exist between the entities the following insights can be made:

- · Parts of the current system operate dependently or independently. In the Future of Work scenarios, some of these relationships will need to change to the system parts operating interdependently. An example of this is the way in which micro-credentialling and in-work training providers work with employers to meet their immediate and future needs.
- · Information flows are often one way or do not exist between different parts of the current system. In the Future of Work, feedback loops are in real time. The ability to collect appropriate data, and make meaningful predictions to support business decisions will be critical for a thriving local economy.
- · The system in its current form is prohibitive for workers to move vertically or horizontally across the different parts of the system. Further work is required to build connections with the re-deployment of workers up and across supply chains.

Diagram Three: Matangi Fou supply-side entities



Identifying the Actors in Systems Change

Actor mapping is used to identify the key individuals, stakeholders or organisations that will be involved to solve a complex problem as part of the systems change initiative. This is a useful tool to determine the important influencers which may be explicit or implicit within a system. To complete this activity the following steps were taken:

Diagram Four: Process for Actor Mapping



The parameters set for the mapping exercise included that actors must meet the following criteria to be included. They must:

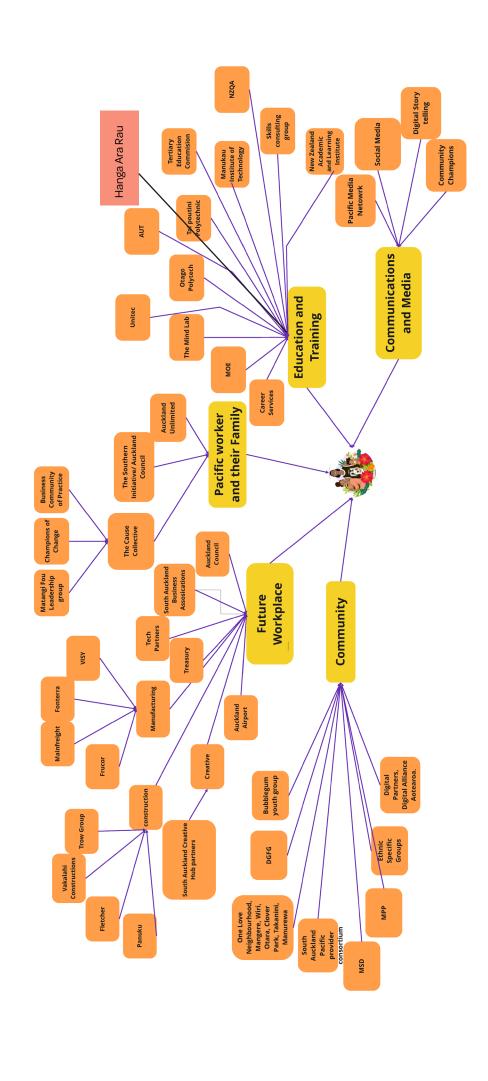
- Have a direct or indirect role in the Future of Work for South Auckland
- Have influence at some level in the Matangi Fou ecosystem
- Be related to one of the four Matangi Fou industries⁶

The use of prompts to refine the map included consideration of the system actors' impact and influence on the shared goal of Matangi Fou "A thriving local economy supported by a thriving Pacific community", and likely levels of engagement in building a desired future reality.

The Matangi Fou actors map is summarised in Diagram Five. Upon analysis of the supply and demand side entities and the application of the six conditions of systems change, we draw the following insights from the actors mapping exercise:

- · There are many community, public and private sector actors involved in advancing the shared goal for Matangi Fou and making the desired future a reality for Pacific communities.
- · While there is high level support across system actors for the shared goal and addressing the core problem, there are varied levels of support for using spheres of influence and power sharing to advance the shared goal.
- · Decision making to enable systems change varies across the system actors. In larger and more complex systems, it becomes difficult for system actors to make change because of the dependencies and interdependencies that exist within their sub-system.
- · Careful thought must go into creating win-win scenarios for both the demand and supply side entities to enable power sharing across the system (e.g. productivity increases when you improve worker conditions).
- · Coordination of ecosystem actors to work as one cohesive unit will be critical to the success of Matangi Fou.

⁶ The Matangi Fou priority industry areas are: creative, manufacturing, construction and urban development, and technology.



Macro-Level System Mapping

Systems are susceptible to external forces that can positively or negatively influence the way they behave. A scan of international literature was undertaken to identify the most relevant trends occurring across the globe that may influence the behaviours of system actors and end-users in Aotearoa New Zealand. This formed the basis of the macro-level system mapping that contributes to the ecosystem mapping exercise.

Diagram Six below provides a snapshot of international trends in the labour market from August 2021. The trends illustrate a changing labour market influenced by employee expectations, the global pandemic and supply chain disruptions. Limited immigration has seen more selective behaviours in the labour market with 'high demand' jobs no longer able to be filled with ease. While we saw Kiwis fly home at the beginning of the pandemic, it is likely we will see a reversal with the opening of New Zealand's borders to the rest of the world.

Diagram Six: International reference environments from August 2021

USA Trend: Mismatch of worker to job suitability through online algorithms

- 10 million job openings and 7.4 million unemployed workers
- 4.3 million people left their jobs in August 2021

New Zealand Trend: Record low Unemployment

- Unemployment was at 3.4% (98,000) - 3rd lowest in OFCD
- · Underutilisation rate down to 9.2 percent

Australia Trend: Labour shortages and the pandemic

- Construction bodies report they cannot rely on traditional labour sources such as immigration
- NSW reports that it will be short 7,200 carpenters, electricians and plumbers

More recently, geopolitical conflicts and international tensions have contributed to high inflation, shortening of supply chains and an increase in commodity prices which further compound the issue highlighted above. These impacts have seen shifts in job-seeker markets internationally where worker preferences have changed. Workers want a life-work balance and to do work that matters to them. These international trends in worker behaviour tell us that macro policy levers and employment systems will need to respond differently, as the labour market we knew pre-pandemic no longer exists. This labour market disruption presents an opportunity to reset Pacific pathways to the jobs of the future now.



Discussion

The ecosystem mapping exercise provides insights to inform systems change initiatives targeting the Future of Work for Pacific peoples. There are several conclusions about the Future of Work that The Cause Collective has reached through the mapping and analysis process that are worth noting for policy makers, planners and designers:

The future is happening now. The Future of Work starts now, despite the inertia that will inevitably appear in the system. There are opportunities to capitalise on market disruptions, to transform the way in which Aotearoa New Zealand responds to the jobs of the future. Communities that adapt quickly to disruptive changes in the labour market will not be left behind, but will feature prominently in the jobs of the future.

A job-seekers market will prevail for the foreseeable future. The workplace of the future must reflect worker preferences. COVID-19 has shone a new light on flexible working arrangements and virtual business operations. Pacific workers have affirmed that life-work balance and the interests of the 'collective' are motivating factors for career decision making and their views about the Future of Work. Employment systems must account for worker preference and consider innovation in employment incentives and packages, as well as reconfiguring the conditions of work to attract and retain talent.

Human capital theory will profoundly influence the Future of Work. The USA example in Diagram six of the mismatch of worker to job suitability through online algorithms is caused by assumptions that are based on redundant thinking. The Future of Work will move away from matching role suitability to qualifications and will place a greater value on human capital - considering the 'whole person'. The whole person approach will recognise all the talents, skills, conscientiousness, leadership and values the person brings to the job. Learning by doing through in work training programmes will be able to fill the gaps in knowledge and any qualifications that may be required.

⁷ Human Capital Theory considers to economic value of a workers skills and experience and considers important factors beyond traditional qualifications including training, prior learning, conscientiousness, loyalty, leadership skills and punctuality.

Workers will move horizontally and vertically across the employment system. The labour market must enable people to move seamlessly between the supply chain and its links with minimal disruptions. This future working condition will overturn many of the current persistent conditions experienced in the labour market (e.g. productivity issues, inadequate training and education, lack of investment in technology). We have already seen a preview of how this will work. During COVID-19, people in the tourism industry with transferable skills were able to shift to other parts of the labour market with relative ease (e.g. flight attendants with excellent people skills becoming community and health care workers).

Workforce shortages will accelerate automation. With the current workforce shortages around the world, it is likely to result in businesses moving sooner rather than later to automation. This includes planning for hybrid scenarios to maximise the benefits of automation and human capital in their work environments. Future conditions will see workers become machine assisted as part of a learn-by-doing workplace culture. This will require organisations to decouple themselves from their current reality constraints, for example: teachers work in smart virtual classrooms, doctors use robotics in primary care to increase what can be offered in community settings.

New partnerships form between government, local communities and industry leaders. Policy settings will have the ability to incentivise positive business behaviours and reward innovation through low cost, low risk re-configuration of the way they operate (e.g. feedback mechanisms, Pacific talent acquisition, vertical and horizontal deployment, learning by doing initiatives).

It will be difficult for organisations that are part of larger systems or bureaucracies to move at pace to implement large scale transformation programmes. Community, public and private partnerships will help drive critical macro-level enablers for Pacific people's participation in the Future of Work. This will benefit from an incremental change programme that helps to lay a strong foundation for transformational change initiatives.

Summary

The Future of Work is already here. Current system disruptions provide an opportunity to 'leapfrog' Pacific workers from their current realities into the jobs of the future. Actors working in large systems will find system change initiatives difficult and therefore careful planning of macro-level levers coupled with incremental change programmes will be required.

Inertia at all levels of the system is a significant force that works to keep the conditions holding the problem in place deeply entrenched. This reinforces the need for intentional and targeted interventions to overturn system inertia and the other conditions which make transformational change difficult to achieve.

Pacific communities will be an important part of system change initiatives as they have their own social infrastructure and support systems that can be used to create win-win scenarios for workers, their families, their employers and the local and aggregate New Zealand economy.



This report is part of a Matangi Fou series of working documents that informed development of the published report "Pacific Peoples and the Future of Work".

- 1. Insights Report
- 2. Pacific Young Entrepreneurs Storybook
- 3. Insights for Business Leaders
- **4. Current Reality Report**
- **5. Ecosystems Report**
- **6. Our Future Now Report**
- 7. Personas and Pathways Report

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