

REPORT 3

INSIGHTS FOR BUSINESS LEADERS

A **thriving local economy** supported by
a **thriving Pacific community**.

An Initiative of Alo Vaka:
The Auckland Pacific Skills Shift

MARCH 2022



MATANGI FOU

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Insights for Business Leaders

Matangi Fou is the name of an initiative that partners Pacific communities and business leaders with The Cause Collective, and the Ministry for Business Innovation and Employment (MBIE) 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.

We asked business leaders from South Auckland:

“When you **think** about the **Future of Work**, what **bothers** you?”

They told us it bothers them that...

- Businesses can't find the workforce with the skills needed to fill current jobs.
- Sometimes it's easier to implement short-term solutions than to address a core problem which can be deferred for another day – 'just in time' instead of 'just in case'.
- Business is focused on the needs of today with little time to plan for the future of tomorrow.
- Many businesses are in survival mode and are focused on how to bounce back from the impacts of COVID-19.
- There is inadequate support for new and emergent industries to seed innovation during labour market disruption.
- COVID-19 and international markets are creating uncertainty about what the future will hold.
- The wellbeing of the workforce with the immediate and long tail impacts of COVID-19 on workers' health, and the health and safety obligations for businesses.
- There is a lack of resource to invest in labour productivity and growth.

The cause of what bothers business leaders

We collected 57 data points from Pacific workers, communities and business leaders in South Auckland which were analysed to work out what the primary causes were of what bothers people when they think about the Future of Work.

For business leaders we identified the primary cause as: The supply side only does what is necessary and sufficient for this point in time. Intermediate causes included:

- a. Not all business leaders have the tools available to them to remove the constraints in their current business conditions which block them from planning for their future reality.
- b. Most businesses are focused on solving the productivity challenge using the strategies available to them now, without regard for cost saving technology that causes productivity.

Examples of how the causes manifest in the workplace:

- The supply-side's focus is on the symptoms and not the causes of the constraints in productivity.
- Attention on Pacific workers is not 'necessary' now, and therefore not a priority.
- Small to medium size businesses do not have the means to access cost saving smart technology to improve productivity and therefore fall back on manual labour.
- It is not easy for the supply side to decouple itself from its current realities e.g. qualification frameworks, import and export markets, seasonal variation.
- Limited capital is invested in supporting immediate returns in a COVID-19 environment and post-pandemic world, not medium to long-term plans.

The main conditions identified on the supply side which hold the problem in place included:



Common behaviour and attitudes which reinforce the conditions

To understand why it is difficult to shift the conditions which hold the problem in place, a set of common behaviours and attitudes were identified and are summarised in the statements below:



"We think things are not really that bad, they will get better with time."



"We're grateful to be turning a profit in the current climate."



"There is not much we can do about the problem [future of work], it's out of our hands."



"We don't know what the real problem is."



"If we look to change what we're currently doing it will result in job losses."



"The pressure of the current reality disables any meaningful thought about the future reality."



"There are too many rules and red tape to do what we really want to do for the Future of Work."



"We can't afford the capital."



"We can't afford the time off work to retrain staff."

Key Insights for South Auckland Business leaders and the Future of Work

The key findings from this report are:

1. Business leaders are focused on 'survival mode' and not planning for the Future of Work, particularly after the impacts of COVID-19.
2. It is challenging for business leaders to connect what the Future of Work in new and emergent industries means for current roles.
3. Most businesses are caught up in their day-to-day operations and for many reasons they are unable to step back and think critically about the Future of Work and how they will participate. This makes productive investment difficult and consideration of Pacific workers as a key enabler of their future business objectives unlikely.
4. Business leaders and other important system stakeholders are not aware that Pacific people's lack of participation in the Future of Work is a complex problem that will impact on the country's future labour market.
5. There is a disconnect between what business will need in the Future of Work and what education and training institutions currently offer students. They are training the workforce for the jobs of today and not necessarily the jobs of tomorrow.

What the insights tell us

Supply-side stakeholders do not have the time to adequately complete the mental mileage required to consider how the Future of Work will impact their industry and business. This is because they are focused on addressing issues that pertain to immediate constraints in their productivity, and there is no compelling reason for them to prioritise differently.

Business planning about who their future workforce will be, the types of jobs they will fill, and how to create the pipeline now, will not be considered by most business leaders who are focused on their survival in the current reality. This is particularly true of small to medium businesses.

This will leave New Zealand with a few 'rockstar' industries in a relatively stable economy, but this will be insufficient to lift aggregate productivity. Nor will it result in more Pacific peoples being equipped to take positions in the jobs of the future.

In the absence of targeted interventions to address the causes of the problem of Pacific peoples, and indeed South Auckland business leader's lack of participation in the Future of Work, we are unlikely to see meaningful shifts in the conditions which are holding the core problem in place.

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**

These reports can be downloaded from: www.matangifou.nz



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