

## Technological change and the future of work: Issues paper April 2019 – CDANZ Submission

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### About CDANZ

Career development is:

*“The lifelong process of managing learning, work, leisure and transitions in order to move towards a personally determined and evolving future.”<sup>1</sup>*

We believe career development is a life-long endeavour, and that careers support for all workers to build career and income resilience through this new age of accelerating change and disruption is a social justice issue.

The Career Development Association of New Zealand (CDANZ) is a national organisation with 500+ members drawing together the broad range of people working in the careers and related fields under a unified professional vision:

*“Excellence in career development across diverse fields of practice through sustainability, professionalism, and advocacy for all New Zealanders.”*

CDANZ recognises that the process of career development occurs in many settings, including education, industry, commerce, government and the professions. CDANZ is a key point of contact in New Zealand for policy makers and other stakeholders with interests in career development. CDANZ works to champion policies which lead to the enhancement of career development in New Zealand. We collaborate with aligned associations and the international career development community to offer support, research, and mechanisms that are mutually beneficial to the profession.

### General Comments

CDANZ supports the work of the Productivity Commission. Career work has a clear focus on preparing people for the future of work and assisting people to make effective transitions in the face of technology change. Like the Commission, CDANZ is also conversant with, and aware of, the forces and impact of technology on work.

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<sup>1</sup> [Canadian] National Steering Committee for Career Development Guidelines and Standards, 2004.

The Commission's work is incredibly timely, particularly during a period where provision of career products and services has shifted from Careers New Zealand to the Tertiary Education Commission and, to some degree, the Ministry of Education. This recent shifting of responsibility and focus has brought into sharper relief the current sorry state and quality of career provision in New Zealand.

Our overarching position is that although the different future scenarios are a helpful thermometer to gauge technology adoption and impact, overall New Zealand is woefully under-prepared for the impact of technology on work. New Zealand scores poorly:

- on the provision of lifelong career development services,
- policy that sits over and informs all government department activity in a co-ordinated manner,
- adherence and commitment to quality standards and benchmarks,
- accessibility to quality services across New Zealand,
- co-ordinated support for specific groups that are most vulnerable to technology change.

CDANZ sees the Commission's work as an opportunity to inform government policy of the current shortfalls. In this submission we provide recommendations on how to address these concerns and would like to express our keen interest in further discussion and contribution to policy development on this critical topic.

## **Q. What are the likely impacts of technological change on work?**

CDANZ acknowledges that technology brings positive change to people's working lives, but also significant impact particularly if facing change, or in the worst instance, job loss. Technology has a ubiquitous quality. It has the potential to lift efficiency, communication, and training in the workplace, for example, but can also be invasive in bringing work into all aspects of people's lives. We have a tiger by the tail, and it's growing by the day.

New Zealand's challenge is in innovating, harnessing, managing, and maximising technology for those who are in work, but also in providing for those who are adversely impacted by job loss or other less visible impacts such as under-employment. The people who are most at risk are those who are slow adopters of technology or already marginalised within the existing labour market. Work is deeply psychological, relational and ultimately identity-forming, whilst also providing a socio-economic lifeline. Periods of technology change, pervasive work habits, and in the worse instance, job loss, have the potential to bring significant stress, both financial and emotional, and which can spiral if not addressed in the early stages, or (preferably) before. Career resilience is best addressed as early as possible, as we know, and by those who are specialists in this area: qualified career development practitioners, so frequently disregarded in these discourses about the adjustment of our labour force, and the development and aspirations of our future workforce.

Ongoing psychological stress impacts on the individual but quickly distributes itself on the wellbeing and functioning of the family unit. CDANZ believes early investment in quality career development interventions increase people's career resilience and propensity to cope with change and loss; connecting them to resources that place them in a stronger position to re-enter work more quickly. CDANZ believes a lifelong career development approach that builds career competency across the population is far better than supporting clients and families once they feel the full brunt of technology disruption on their lives.

On the flip side, to maximise the positive impacts of technological change, how do we ensure our younger people are equipped to take advantage of all that is ahead, the excitement and opportunity, being comfortable with being uncomfortable, and developing skills, interests and possibilities for themselves, not just aiming at a job or single career option when considering a path that is not visible ahead? We know that around 60% of career decision-making comes from influencers, mainly family. These people are not necessarily the most helpful in preparing their charges, however well-meaning, and nor are school subject teachers who are generally ill-equipped to be information and advice providers on careers, often living and promoting outmoded ideals of career progression and 'fit'. The development of career resilience needs to start young, and our education system must adjust away from channelling our young into silos of subject and work types, or at the very least, provide services to enable our young to consider and weigh up options without judgment, to develop career identity, efficacy and confidence that will carry them forward into a life none of us can yet comprehend.

## **Q. What does this mean for workers, productivity and wellbeing?**

It is well documented that change, loss, or workplace stress, via technology or other, negatively impacts on wellbeing. Mental Health and Work: New Zealand<sup>2</sup> says that one in five New Zealanders in any given year will experience a diagnosable mental health issue. No matter what work scenario or scenarios play out in New Zealand, technology that brings change or job loss will contribute to this statistic. We also know that the highest group of people at risk of job displacement are men over 50<sup>3</sup>, and men 45-54 are the group with 2018's second highest rate of suicide in New Zealand, just 9 less than the highest at-risk group, our young men, 20-29<sup>4</sup>. It would be difficult to imagine that these statistics are not related. What must be factored into the current discussion is the provision, quality and accessibility of wellbeing services, such as career development support, to workers in New Zealand.

Unfortunately, New Zealand currently lags in supporting career development and associated policy in comparison to Australia, Canada and a number of OECD countries<sup>5</sup>. The European Lifelong Guidance Policy Network produced a ten-point score card around a lifelong career system, and New Zealand does not score well. For example, New Zealand no longer has a dedicated sole agency leading and integrating career development strategies. Rather, aspects of career development responsibility are spread unevenly, and without any centrally agreed standards, regulation or rigour, to a range of agencies (TEC, MOE, ACC, MSD and MBIE) with no coherent career development policy or oversight across all agencies. The net effect is service provision that is ad hoc and reactively funded, with accessibility of services mixed and extremely varied in quality. Compare this to a simple example we can all understand: teachers in schools, who at a minimum hold a specific teaching qualification, are registered, and maintain professional development standards throughout their teaching careers, with those standards set nationally via regulation.

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<sup>2</sup> <https://www.oecd.org/newzealand/mental-health-and-work-new-zealand-9789264307315-en.htm>

<sup>3</sup> OECD, Back to Work: New Zealand: Improving the Re-employment Prospects of Displaced Workers, OECD Publishing, Paris, 2017.

<sup>4</sup> Retrieved from Table 3: <https://www.mentalhealth.org.nz/assets/Suicide/2017-2018-Annual-Provisional-Suicide-Statistics-Final.pdf>

<sup>5</sup> D Furbish, A scoping paper on Career Development in New Zealand. Downloaded from <http://www.cdanz.org.nz/uploads/Scoping%20Paper%2024July.pdf>

## Q. How can the Government best position NZ to respond?

CDANZ believes the government should take the following approach:

- **A stock-take/environmental scan.** Career development services and the quality of those services require understanding and research. This will provide a baseline knowledge of what is currently available and to what quality. It will also assist the Commission to understand the impact and ability of services and providers to respond to each scenario. Currently this understanding is non-existent.
- **Government supported leadership.** Stakeholders in the career space are diverse while they operate in isolation. By comparison Australia's CICA (Career Industry Council of Australia) co-ordinates career development strategy across the private and public sector and works closely with government.
- **Unified career development strategy.** This will ensure that government agencies' work or contracted services have complementary goals and resources. This will lead to greater co-ordinated and articulated service provision to the New Zealand public.
- **Access to quality services.** New Zealanders need access to lifelong career development support. Adults in New Zealand have limited access to support for their career development and transitions. Some ACC and MSD clients may obtain access to support (with specific employment criteria and outcomes attached) while everyone else (ie those who can afford to) self-fund services. Many New Zealanders, particularly groups on the margins, live hand to mouth, and during periods of disruption or redundancy cannot access a paid service even though it would lead to a faster and more successful transition.
- **Assistance for specific groups.** Immigrants, clients with disabilities, offenders, women returning to the workforce, Maori and Pasifika, older people (see our submission for 'Better Later Life' – MSD's draft strategy), and clients with low career capital (little experience, low qualification or learning challenges) have the greatest potential to be negatively impacted by technology. Targeted and specialised career support is required so that, quoting Labour's aspiration, "no-one is left behind".

Support from the International Labour Office (ILO) is clearly stated in their 2019 publication for the Global Commission on the Future of Work: Work for a Brighter Future (p33) <sup>6</sup>:

*"To support people through increasing labour market transitions, **governments need to increase investment in public employment services (PES), combining digital services with personal counselling and placement services and improving labour market information to support decision-making.** By making active labour market policies proactive, workers can be better prepared for these transitions."*

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<sup>6</sup> Global Commission on the Future of Work: Work for a Brighter Future, International Labour Office, Geneva, 2019.

The OECD's 'Back to Work: New Zealand' report, referred to several times in the issues paper our submission responds to, strongly recommends specific career development support for all adults in New Zealand (p18/19)<sup>7</sup>:

*“Career advice and training guidance in the education sector are currently targeted at young people moving into the job market, while services available to guide adults in need of (re-) training are limited. Counselling would help people to understand which training options are both possible and relevant to them, and hereby increase post-training employment rates. Without pre-training counselling, bandwagon effects are likely to emerge, whereby people simply follow their peers. Leaving the guidance to the training providers is not optimal since they may only have in-depth knowledge of the programmes they offer and be unaware of other training options that might be more suitable for a particular person. **The government should explore ways to strengthen training counselling and career guidance for adults, including face-to-face services, and ensure that such services are easily accessible for all.** Rapidly changing skill needs in the economy require a continuous effort to guide adult workers to upskill and reskill throughout their working lives.”*

## **Q. Are these scenarios useful for considering the future effects of technological change? How could they be improved?**

The scenarios are helpful lenses to look at the adoption of technology. We believe they can be made more helpful with measures that define technology adoption, and measures to gauge which scenario is playing out in different geographical areas would add further value. This would be helpful in providing products and services to the most affected groups, particularly for Scenario 2 and Scenario 4.

## **Q. What changes would be required to New Zealand education and training system under each scenario?**

Every scenario requires a commitment to the following:

- **A commitment to career development benchmarks and professional standards** to ensure quality services are delivered. CDANZ has strong Professional Standards, including a Code of Ethics, minimum qualifications, ongoing PD requirements, and a Competency Framework. In the education sector one of our senior members was the main contributor to the Career Benchmarks used in intermediate, secondary and tertiary settings to provide expectations and standards for the delivery of quality career services in education. These core documents are underpinned by research of what best practice looks like, however they only serve those that are willing. There is no regulation in this field, so quality of delivery varies wildly in schools, as elsewhere. Until there is greater commitment to quality standards and benchmarks, service provision and outcomes will remain indifferent.

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<sup>7</sup> OECD, Back to Work: New Zealand: Improving the Re-employment Prospects of Displaced Workers, OECD Publishing, Paris, 2017.

- **Qualifications:** Require career development practitioners to hold specialised career specific qualifications. Again, this will ensure greater consistency in the delivery of quality services to all population groups, not just those who can afford to pay privately for the services of qualified and experienced professionals. Currently there is no obligation for those who provide career advice in education and training environments to hold qualifications, update their learning in relevant areas, or hold membership of a professional association. It is hard to imagine a trade, let alone a profession, with so few standards set or expected. This lack of expectation does not serve New Zealanders well, and unfortunately those at the bottom of the heap are likely to receive the worst quality service. This inequity is glaring and unacceptable.