

## **Submission.**

### **Helping Firms reach the productivity frontier**

#### **Introduction**

New Zealand, along with most other OECD countries has an adult literacy and numeracy problem. Repeated international surveys have established and confirmed that problem: -

- The IALS survey from 1996
- The ALLS survey of 2006
- The PIACC international survey of 2016

A summary of the findings of all three surveys is: -

- Between 30 and 40% of New Zealand adults in the workforce do not have the literacy and/or numeracy skills to perform adequately in the workplace.
- The results have remained stubbornly consistent across the three surveys.
- This despite the fact that the government has invested considerable money to address the problem.
- The release of the last findings, from the PIACC survey was accompanied by a lot of spin by government officials to try to spin the results to make it look as if progress has been achieved.
- As is the case with so many other statistical measures low adult literacy and numeracy skills particularly affects Maori and Pasifika.

#### **Reasons for low adult literacy and numeracy**

While the compulsory education sector must shoulder some of the blame the reasons for low literacy and numeracy in adults is a very complex issue.

- The schools must take some blame. The NZ education model suits about 60 – 70% of youngsters but is poorly equipped to meet the needs of the other 30 – 40%.
- Literacy and numeracy skills instruction is very challenging for this proportion of people.
- New Zealand has a history of denial of neuro-diverse conditions like dyslexia. Some estimates put 20% of the adult literacy and numeracy deficits down to undiagnosed and unsupported neurodiverse conditions.
- Many adults in the New Zealand workforce were educated in other countries and are the products of the education systems of other countries.
- The literacy and numeracy demands of the workplace are often very different to the literacy and numeracy taught in schools. For many people, the Transference required is beyond them.

- **Note. Low literacy and numeracy skills are not necessarily the result of low intellect. In most cases it is not**
- The workplace itself must take a lot of the blame. Literacy and numeracy skills require constant work and every workplace has its own specific literacy, language, and vocabulary. Workplaces have largely assumed that literacy and numeracy skills are the responsibility of the school sector. This is only partly true. Hence the rise of issues like “Health literacy” and “Financial Literacy” to provide for the specific literacy requirements of different sectors on the economy.

### **Workplace and Productivity implications of low adult literacy and numeracy**

The consequences of literacy and numeracy deficits are numerous and deep.

1. The literacy and numeracy demands of the workplace are growing insidiously. There are fewer and fewer jobs where people with low literacy and numeracy skills can hide.
2. People with low literacy and numeracy are less mobile in the workplace. They are likely to stay in a job because they do not have the skills to move to a new one
3. Adults with low literacy and numeracy are less upwardly mobile in the workplace because the literacy and numeracy demands of supervisor and/or team leader roles are beyond them
4. The capability of lower literacy/numeracy workers to move from low productivity jobs to higher productivity jobs is constrained.
5. There is research out of Canada that links adult literacy and numeracy skills to GDP figures. They have produced data that links an increase in adult literacy with a corresponding increase in their national GDP.
6. Research out of Canada also links low adult literacy and numeracy skills with decreased Health and Safety compliance
7. Adults with low literacy and numeracy are less likely to take up Professional Development or other upskilling, and less likely to adapt to new workplace technology.
8. Low literacy and numeracy skills is a major impediment in the uptake of, or completion of, apprenticeships.
9. There are hundreds of journeymen and women who have finished their apprenticeships but cannot achieve registration because they are not able to pass their registration examinations.

### **The extra issues associated with New Zealand’s failure to embrace Dyslexia/Neurodiversity**

A definition. Dyslexia is the most common form of neurodiversity. Dyslexia is a condition where otherwise intelligent people struggle with reading, writing, and spelling. Internationally it affects around 10% of the population.

The consequences of our collective failure to support dyslexia and dyslexic people

People with dyslexia have been short-changed in the education system and often side-lined in the workplace. This in spite of the fact that people with dyslexia often have an amazing set of compensating skills and talents. Dyslexia is a difference – not a disability.

**See** Evaluating the effectiveness of support interventions for dyslexic learners in multiple learning environments  
<https://ako.ac.nz/knowledge-centre/interventions-for-learners-with-dyslexia/>

**Note.**

**I understand that the Productivity Commission is a central government agency looking for big levers to pull to influence New Zealand Productivity. I accept that what I am outlining here may appear like small issues that impact at an individual worker level. Not so. What I am envisaging here is the pulling of a big lever. I am strongly recommending actions to foster a mindset change by employers in companies of all sizes to actively work towards improving the literacy and numeracy skills of their workforces. The future for New Zealand lies in having a flexible, highly skilled workforce that is able and highly skilled, capable of pivoting to embrace new careers and new types of employment. People with low literacy and numeracy are excluded from that. No nation can afford for so many of its inhabitants to be under-employed**

**Detailed responses to your questions**

**Q3 What do you think are the most important drivers of the productivity of New Zealand’s frontier firms?**

- A well educated and trained workforce where all 100% of employees are working to their potential.
- A workplace culture where the talents and skills of all staff are embraced and utilized.

**Q 8 In your view, what are the key ingredients that would lead to a successful New Zealand economy, and what would success look like?**

- A diverse range of productive industries that utilises all the available human resources. This includes: -
  - women
  - Maori
  - Pasifika
  - other new migrants
  - neurodiverse people
- An informed and skilled management that has the skills to harness the full workforce

- A technologically advanced economy that embraces all sorts of modern technology – including Biotechnology and Genetic Engineering
  - An economy where an increasing proportion of our exports are weightless.
  - Our major export should be expertise
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- The economy will not flourish until we succeed in addressing the imbalances in wealth. Too many people are trapped on situations where economic hardship prevents them from achieving to their potential.
  - At both governmental and individual enterprise level we need to invest more in research and development

**Q 13. What are the main challenges for New Zealand firms that aspire to reach the performance of the best firms globally?**

- A highly educated and trained workforce that is flexible and nimble enough to adapt to new technologies and new circumstances. **An integral part of that would be a workforce who have the foundation literacy and numeracy skills to embrace change**

**Q 17 Do frontier firms have a problem sustaining their performance? What is needed to maintain high productivity over the long-term?**

We need a closer linkage between workforce needs and tertiary training – so that people train with the correct skills for the job market. This will assist employers get the right staff for their workplace requirements. **As for all the others – a greater concentration of all employees (and employers in many cases) having strong workplace literacy and numeracy skills. Employers need to see these things as part of their responsibility – not something they leave to others to sort out.**

**Q 22 Are there particular barriers to innovation, diffusion, and reallocation that the Commission should focus on?**

See comments elsewhere about neurodiversity

**Q 24. What resources/opportunities and constraints/barriers are unique or greater for Māori frontier firms, compared to non-Māori firms? □ How do these opportunities and constraints vary by the organisational form of the Māori entity? □ How do Māori firms maximise opportunities within these constraints? What would help mitigate barriers or enable Māori firms to better maximise their potential?**

**Labour market Alignment of education systems with industry needs (skills matching)**

Sadly, there is a widespread undervaluing of academic education, and literacy and numeracy skills within Maoridom. It is not politically correct to say it – but it is true, as the sad statistics reveal

**Q 30 What are the top three things you would like to see come out of this inquiry?**

1. For the country to explore the creative and innovative potential of neurodiverse adults. Currently many people in this cohort are hiding in the shadows and therefore not achieving to their potential. No country can achieve to its potential when 10% of the population (often the most creative people) are not fully utilized. The first step towards achieving this would be a public education programme about dyslexia/neurodiversity. The second step would be for the country to gather soe quality data about the nature of dyslexia/neurodiversity in Aotearoa New Zealand.
2. A comprehensive plan to improve the literacy and numeracy skills of the workforce.
3. A workable Maori-sensitive plan to improve the engagement of Maori in the New Zealand economy