



fya

# The New Work Order

## REPORT SERIES

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PREPARED BY THE FOUNDATION FOR YOUNG AUSTRALIANS

# The world of work is changing rapidly

With six reports since 2015, the Foundation for Young Australians' (FYA) New Work Order research series has analysed how disruption to the world of work has significant implications for young Australians.



The research shows that there are 3 global economic forces changing the way we work. Automation is predicted to radically affect 70% of entry level jobs for young people; jobs are becoming increasingly global showing 11% of service jobs could be provided from overseas; and the way we work is becoming increasingly flexible, with the average 15 year old predicted, throughout their lifetime, to have:

## 17 jobs over 5 different careers

Australia, older people are leaving the workforce in larger numbers than young people can replace them. By 2054 there will be only 2.7 workers for every retiree, decreased from 4.5 in 2015, impacting on productivity and decreasing revenue to fund our quality of life and standard of living. Changing work is not only challenging for individual young people, but for the whole nation.

# Young Australians are significantly impacted

A lack of attention to the urgent need for investment in young people's development of skills and capabilities has resulted in a number of worrying trends. This includes:

Declining standards in education. The 2015 Program for International Student Assessment (PISA) results show Australia is now ranked 20th in mathematics, 10th in science and 12th in reading internationally.

**It is now taking young people, on average, 2.6 years to transition from full time education to full time work.**



31% of young people are un/underemployed.

Even though nearly 60% of young Australians aged 25 hold a post school qualification, 50% of them are unable to secure over 35 hours of work per week.

Over one third of 15 year olds are not proficient in the skills they need for the future of work such as science, maths, technology, financial literacy and problem solving.



# There's an increasing demand for enterprise skills

FYA's research has identified a core set of transferrable enterprise skills, such as digital literacy, problem solving and creativity that will be needed to thrive in the future of work. It shows employers are already demanding and paying a premium for these skills.



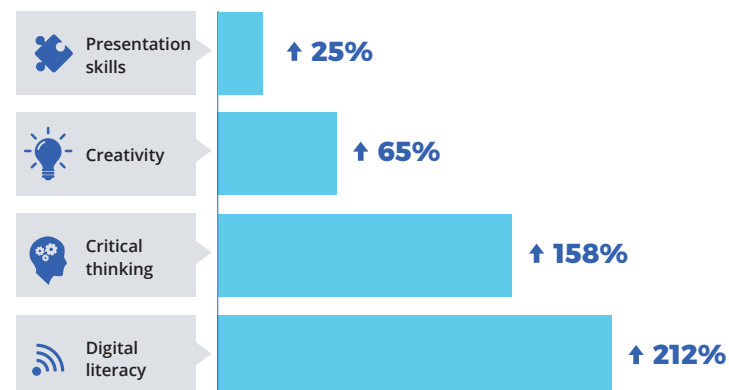
**Jobs of the future demand enterprise skills**

**70%**  
more than jobs of the past

An analysis of 4.2 million ads for jobs requiring less than 5 years experience revealed that since 2012, demand for digital skills has increased by more than 200%, critical thinking by more than 150%, and creativity by more than 60% and presentation skills by 25%.

The research also shows that enterprise skills are demanded across all occupations and industries. For example, digital skills aren't limited to technology specific fields but are found in jobs as diverse as dentists, environmental engineers and veterinarians.

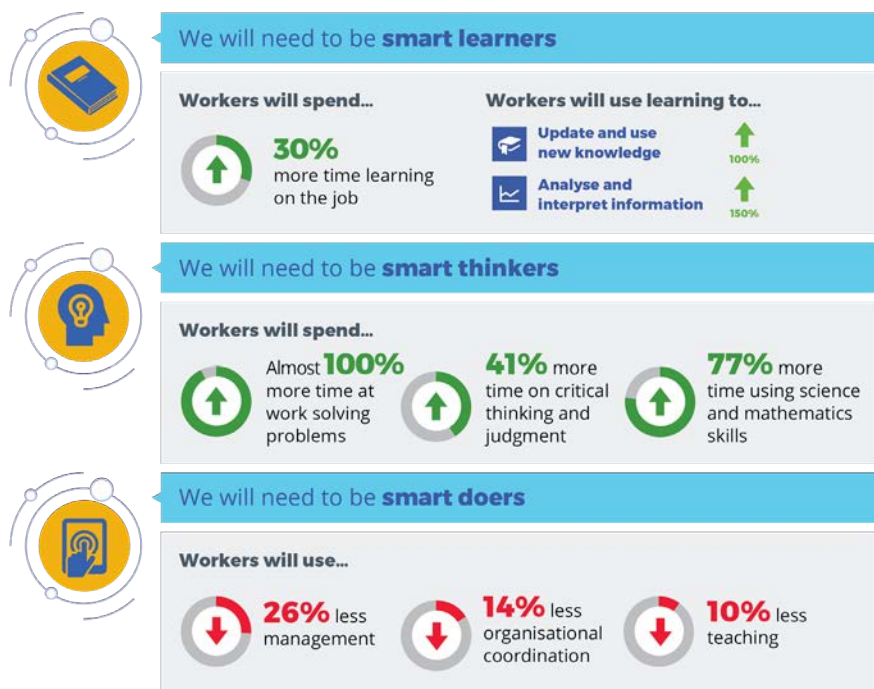
## The demand for enterprise skills is on the rise.



Finally, the research highlighted that employers are willing to pay more for employees with these skills. For example, employers are willing to pay close to \$9,000 more for presentation skills and digital literacy; and almost \$8,000 more for those with problem solving skills.

These new basics are not only essential for new entrants to have in the current workforce but also into the future.

Through an analysis of 20 billion hours of work completed by 12 million Australian workers across 400 occupations we can predict that global forces will by 2030 and to some extent, already are, affecting the way we perform every single job across the economy. It is predicted that by 2030:



## We need a new work mindset

It's obvious we need stronger economic growth to be able to support this strategy, the protection of young workers into the future of work and ultimately our economy. But there are also some ways to help equip current and future workers with a toolkit of capabilities to adapt to our continually evolving world of work.

By analysing more than 2.7 million job advertisements using a new methodology, we revealed 7 job clusters in the Australian economy. The research highlights jobs are more closely related than we thought and suggests we need a new mindset towards how we approach our working lives where the focus is on skills and capabilities, not just jobs.

### The 7 job clusters



The analysis shows that when a young person trains or works 1 job they acquire skills and capabilities that will help them access 13 other jobs. This is because employers often demand very similar skills across multiple jobs.

When a person trains or works in 1 job...



on average, they acquire skills for 13 other jobs

Given the uncertainty and dynamism in work and how much jobs are related, young people can abandon the need to choose an occupation with an unbroken path to seniority or fixating on jobs which appear more resistant to automation. Instead it is more helpful to think about jobs as part of a cluster of work that demands similar skills sets.

# What does this mean for young Australians?

By following the journeys of 14,000 young people over a decade from 15-25 years old, we were able to identify a number of key factors that help young people make a smoother transition from full time education to full-time work.

The four most significant factors supporting young people to secure full-time work faster are:

Courses teaching enterprise skills like problem solving, teamwork and communication. This can increase the speed of entry to working full-time hours by 17 months.

Relevant paid work experience. This can speed up the transition to full-time work by up to 12 months.

Employment within an area of work which has strong growth future prospects can speed up the transition by 5 months.

An optimistic mindset and strong well-being by age 18. This can accelerate the transition by up to two months faster than a young person who is unhappy or not confident with their career prospects before leaving school.



**Building enterprise skills in education**

**17** months faster



**5,000 hours relevant paid employment**

**12** months faster



**Paid employment in a future focussed cluster**

**5** months faster



**An optimistic mindset**

**2** months faster

More than ever before young people need access to a relevant, high quality education and learning systems that reflect and respond to their changing and diverse needs, and those of the economy. We need to invest in redesigning learning pathways from education to work to ensure young Australians are equipped and empowered with the skills, mindset and confidence they urgently need.





## Investing in the next generation

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**Equipped with the skills to be new work smart, and with an understanding of the factors that accelerate the transition from full-time education to full-time employment, young people can navigate the future of work by thinking about how their skills are portable for other jobs.**

Our mindset needs to shift to reflect a more dynamic future of work where linear careers will be far less common and young people will need a portfolio of skills and capabilities, including career management skills to navigate the more complex world of work.

To support young people to navigate these changing labour markets Australia will need to invest to ensure they are innovative, creative and enterprising. Government, industry, educators, tertiary institutions, young people and parents all need to consider how they can use this information to their advantage. Around the world, the most successful education systems are focussing on immersive, real world experiences to build the skills and capabilities which will enable young people to adapt to an ever-changing environment and instill an enthusiasm for ongoing learning.

We need renewed, comprehensive and inter-generational investment in Australia's young people. Such an investment should encompass:

- A 'nation building' focused education strategy to redesign the learning system and curriculum from preschool through higher education (and beyond);
  - A commitment to work integrated models of learning to ensure opportunities to gain critical relevant work experience; and
  - A targeted policy to strengthen the focus on mental well-being to prepare young people entering this transition period in their lives.
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# The New Work Order Report Series

For more information and to access all of the reports in the New Work Order report series see: [fya.org.au/our-research](https://fya.org.au/our-research)



**The New Work Order,**  
August, 2015



**The New Basics,**  
November, 2015



**How Young People Are Faring,**  
April, 2016



**The New Work Mindset,**  
November, 2016



**The New Work Smarts,**  
July, 2017



**The New Work Reality,**  
June, 2018