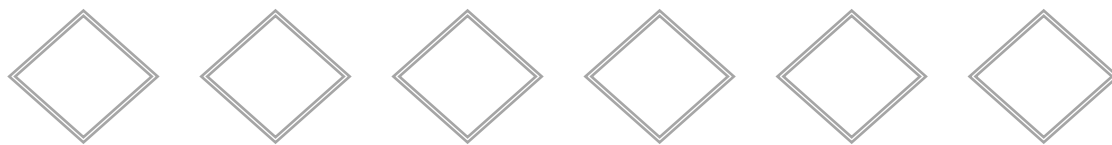


White Paper: Foundational Skills in the Age of AI: Why Human Capability Still Matters



Artificial intelligence is weaving itself into almost every workplace in Aotearoa. New systems automate reporting, digital tools streamline scheduling, and machine learning models analyse data with impressive speed. Yet alongside this rapid shift, global studies are revealing something important. The more technology advances, the more essential human capability becomes.

The OECD has been tracking this relationship closely. In its *Skills for a Digital World* research, the organisation notes that while AI can perform certain literacy and numeracy tasks at a high level, workplaces still rely on humans to interpret, verify and communicate information in context [1]. The OECD also warns that low foundational skills remain one of the biggest barriers to digital adoption in member countries, including New Zealand. AI may automate steps in a process, but people still need to understand what those processes mean and how they should be applied.

This pattern is reflected across the organisations Aspire2 Workplace Communication works with. When the team partnered with Turuki Health Care, the goal was not simply to improve documentation accuracy, although that was an important outcome. It was to develop the communication, empathy and critical thinking skills that sit at the heart of complex social work. These capabilities become even more essential as organisations adopt new digital tools. Turuki's team is not just receiving information from clients or systems. They are interpreting cues, assessing risk and making decisions that AI cannot make for them.

Research supports this reality. Harvard Business School has found that these human skills only increase in relevance as technology advances, because they cannot be automated or replicated by digital systems [2]. Communication and interpersonal capability remain central to organisational performance.

A similar story unfolded at D&H Steel Construction. Manufacturing environments are becoming more automated, with digital reporting systems and machine alerts shaping daily operations. International studies, including those from the McKinsey Global Institute, show that automation still depends on workers who can read, question and act on information [3]. D&H Steel's leadership recognised early that literacy, communication and confidence were not soft skills at all. They were safety skills and productivity skills. After completing an Aspire2 Workplace Communication programme, employees who once stayed quiet in meetings began asking questions, making suggestions and contributing to problem solving.

These shifts align with research from the Behavioural Insights Team in the United Kingdom, which found that improved communication skills reduce errors and increase engagement, two factors associated with higher productivity and safer workplaces [4].

Napier City Council also saw these benefits first hand. With more than 500 staff supporting essential services for the community, the Council already knew strong communication and time management skills were crucial. But as councils adopt online customer portals, automated workflows and data-rich systems, the need for staff who can interpret information confidently is growing. The Australian Industry Group reported in 2024 that low literacy and numeracy reduce productivity for 88 percent of employers, particularly when employees must navigate digital systems or complete documentation [5]. After training with Aspire2 Workplace Communication, Napier Council saw noticeable improvements in the clarity of written communication, the quality of documentation and the confidence staff brought to customer interactions. These foundational skills are exactly what the OECD calls essential for successful digital transformation.

Across Turuki Health, D&H Steel and Napier City Council, a clear pattern emerges. AI changes the tools, but humans still drive the outcomes. Global research reinforces this. The McKinsey Global Institute estimates that up to 70 percent of productivity gains from AI will only be realised when organisations invest equally in people and technology [6]. Meanwhile, the OECD's *AI and Skills* report highlights that workers with strong foundational skills are significantly more adaptable, more resilient to change and more willing to adopt new systems [7].

Perhaps the most compelling finding comes from Harvard Business School's Letian Zhang, who argues that while technical skills may depreciate quickly in an AI driven world, communication, adaptability and empathy grow more valuable. These skills help employees navigate ambiguity, interact with customers, lead teams through change and collaborate effectively [2].

For leaders, these insights point to a clear strategy. The future is not about choosing between AI and people. It is about preparing people to thrive alongside technology. Recruitment alone cannot solve the capability gaps that AI exposes. Technical upskilling is important, but without strong literacy, numeracy, communication and critical thinking, employees struggle to apply that technical knowledge effectively. Foundational skills are what make digital tools usable, safe and productive.

When people feel confident reading policies, interpreting dashboards, writing emails or asking clarifying questions, they adopt new systems more easily. They troubleshoot issues earlier and they welcome change rather than fear it. They also contribute ideas that improve processes over time. These behaviours are not accidental. They are learned, supported and strengthened through workplace training.

Technology is accelerating fast, but the organisations seeing the most meaningful change are those investing first in people. They are building the foundational capacities that enable their teams to grow, adapt and lead.

AI will continue to reshape the nature of work. New tools will come and go. But the organisations that thrive in the next decade will be those that recognise a simple truth early. Foundational human capability remains the anchor of a high performing, future ready workforce.

Aspire2 Workplace Communication continues to work with organisations across the country to strengthen these foundations. For teams preparing for AI enabled systems, for leaders navigating change and for HR managers looking for sustainable capability development, the message from global research is clear. Start with people. Start with communication. Start with the skills that technology cannot replace.

If you would like support building these foundations in your workplace, our Relationship Managers are ready to help. The future of work belongs to those who combine the best of technology with the best of people, and we would love to help you get there. Contact us at workplacecommunication@aspire2.co.nz

References

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