



Developing competencies for a just transition of the South African banking sector: Digitalisation

KEY FINDINGS AND RECOMMENDATIONS

Key findings	Recommendation	Potential policy implications
<p>The South African banking sector has embraced and embedded digital mechanisms.</p>	<p>Ensure that as digitalisation is one of BankSETA's five strategic priorities, the findings of this study are used to inform BankSETA's strategic direction and decision-making and to support the banking sector to revisit their business models, with a particular lens on education and training to aid the transition.</p>	
<p>Digitalisation will have both a negative and positive impact on jobs and required skills. This covers both redundant tasks and occupations, with many suggesting that it will be the actual tasks that will be 'disrupted' and not necessarily actual job numbers. Those most effected will be those holding more menial or low-skilled jobs, and those that can be digitalised including administration, bookkeeping, accounting, auditors, data entry and customer service.</p>	<p>To work closely with Sasbo, and BankSETA members to identify in more detail the specific jobs most at risk – when are these likely to become defunct (time period), and identify feasibility of transitioning or upskilling these individuals to continue to be employed within the sector.</p> <p>As jobs are most likely to become more precarious, BankSETA should consider how to ensure individuals working in the sector have a core set of digitalisation skills that will enable them to switch from project to project, or from function to function.</p>	<p>Policy to acknowledge that there'll be both job/skills losses, and opportunities for upskilling and/or new jobs. Policy should address how it will accommodate both, and not just focus on one or the other.</p> <p>Policy to recognise that the nature of work will change i.e. from jobs for life, to project-focused work.</p> <p>To better inform policy through evidence-based research, it is recommended that the quantitative impact of digitalisation on occupations is determined, alongside qualitative multiple-criteria – such as investment in upskilling, retention of jobs etc.</p>
<p>New and/or revised occupations and skills will be required for an advanced digital banking sector. It is recognised that there will be and is a digital skills shortage. Such skills include: creativity, problem solving, maths and science, big data analysis, coding and programming, cloud-based solutions, next generation infrastructure and mobile applications.</p>	<p>Upskilling – technical and non-technical skills to fulfill these new skills requirements (where feasible). BankSETA could support and/or guide this process.</p> <p>Recommendation to provide work-place-based upskilling opportunities (building on internal training already offered by banks).</p> <p>Recommend BankSETA work with DHET to established/support a BSc in Information Technology, specialising in digitalisation (incl. specialisms in digital product management, software development or user-experience/visual design).</p>	<p>Policy to acknowledge skills other than technical skills, such as creativity, problem solving, critical thinking and leadership when setting out future skills needs for the banking sector, in relation to digitalisation.</p> <p>Policy to recognise and propose a focus on upskilling current employees (see above).</p> <p>Policy to support the development of appropriate and accredited digital short-courses; and support for a new suitable digitalisation tertiary degree.</p>



	<p>Recommendation to provide HR departments with occupationally-directed guidance and support to inform job descriptions, work-sector plans etc to accurately accommodate digitalisation needs.</p> <p>Recommend working with DUT Digitalisation Chair to review the OFO framework and identify corresponding occupations listed with emerging digital job titles. If not a new occupation, to ensure current skills in the OFO adequately accommodate digitalisation.</p>	
<p>Unlocking of jobs through the creation of digital financial start-ups. Fintech growth in South Africa is expected to be rapid, with South Africa third behind China and India in terms of Fintech growth globally. This growth could be expediated if the regulatory environment was less prohibitive, and policy more supportive.</p>	<p>It is recommended that BankSETA considers providing business, banking and financial management advice and training for Fintech start-ups to ensure that can overcome the initial challenges of setting up a business in the sector and ultimately becoming financially sustainable – thereby creating more opportunities for job creation. This could be done in collaboration with the Fintech hubs in Cape Town and Johannesburg.</p> <p>BankSETA to work with other key stakeholders, such as SARB, to provide clarity and guidance on how the existing financial regulations apply to Fintech businesses, thereby assisting new start-ups to navigate their way through the regulatory space and reduce risk.</p>	<p>Ensure policy is not contradictory and hinders start-up set-up and stability.</p>
<p>Lack of women recruits holding digital jobs within the sector. It was noted that this tends to be dominated by males, given it's perceived technical-focus, and therefore historically not considered by, in particular, black women.</p>	<p>BankSETA to run a series of campaigns/career guidance to encourage young [black] women to enter the banking sector, with a focus on digital jobs</p>	<p>To ensure digitalisation of the banking sector is a just transition, policy needs to recognise the inclusion of women.</p>
<p>Digitalisation has the opportunity to provide banking access to the 'unbanked' and rural households. It has the potential to democratise access to data, enhance informed financial decision-making and support rural economies, thereby making the financial system more inclusive.</p>	<p>It is suggested that the role for BankSETA in this context is to provide banking and technical literacy skills support to the previously unbanked to ensure new users are adequately capacitated to manage their finances.</p>	<p>Policy should recognised the diversity of the banking sector in relation to digitalisation – customers are not a homogenous group. Policy should acknowledge and provide support on how best the previously unbanked can benefit from digital banking, yet protect clients from poor financial decision-making.</p>



		Indirect policy on telecommunication infrastructure, energy supply and cost of data need to be acknowledged as prohibitors to digital advancement in this country. Policy should identify how best to unlock this potential, as opposed to hinder it (albeit through Government interventions).
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