



POLICY BRIEF: 2020

Conceptual Alignment: Occupations and Jobs/Work to PSET Policy

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1. Overview

BANKSETA has commissioned a series of research within the banking sector under the appointment of a, at the Researching Education and Learning Centre at the University of Witwatersrand focusing on the following areas:

- A) Mapping jobs to occupations: Organising Framework for Occupations; and the development of an open access electronic mapping tool.
- B) Investigating drivers of occupational change within a just transition framing: Digitisation and Sustainability
- C) Unpacking the structural dynamics and use of occupational frameworks: An international collaboration
- D) Analytical and conceptual alignment, gaps and system use in relation to Jobs; Occupations, Knowledge, Qualification and Work
- E) Lessons for the Post School Sector: Occupations and Skills

This policy brief seeks to examine the concepts of occupations and job/work as it is used in PSET policy. It aims to analyse the alignment of these concepts to the selected policies and determine what policy lessons can be learnt from this analysis.

2. Introduction

Terminology used in skills development are vast and one could create a dictionary of the acronyms, jargon and concepts that constitute the skills development language. For this report, the concepts of occupations and jobs/work are selected for the analysis. These concepts often hold different meaning in varying contexts (national, sectoral, firm and individual) and tend to often be confusing and ambiguous. This report analyses the various meaning and contextual uses of these terms by various philosophers, economists, sociologists and perhaps even politicians at an international level mostly within their use in literature. But is this sufficient? It is important to bring the analysis into the South African landscape by examining how these concepts are used within current policy.

Included in this policy analysis are the White Paper on Post School Education and Training (WP-PSET), the National Skills Development Plan (NSDP), the National Qualifications Framework (NQF) with its three sub-qualifications framework and Skills Planning including the OFO. It is hoped that this policy research will provide a better understanding of skills development policies and improve conversations leading to greater clarity and understanding within skills development debates. If policy is well understood and articulated, implementation is easier since there is precision on knowing what needs to be done.

3. Concepts

Guile and Unwin (2019; p33) provide three reasons for using the construct of occupation within labour markets:

- first, entry to many areas of the labour market is through an occupational structure;
- second, individuals relate to the notion of belonging to an occupational community and
- third, many people still work in occupationally bounded roles.

The followings are some definition of the concept of occupations:

- Guile and Unwin (2019; p87) explain that an occupation is different from a job as it is “a much more **general and all-encompassing term for employment** which individuals are engaged, and it is not restricted to a particular employer or workplace. Occupation is **aligned to the idea of vocation** and is applicable across the socially constructed hierarchies of occupations or professions”. This implies that many **jobs can be grouped together to form an occupation**.
- Trakoli (2010, p237) suggests a definition of occupation, “**as the doing of work (paid and unpaid)**, play or activities of daily living within a temporal, physical and sociocultural context that characterizes much of human life”.
- Allais (2012, p635) suggests that an occupation “is a formally recognized social category, with **regulative structure concerning qualifications, promotion, and range of knowledge** (theoretical and practical) required”.

In South Africa, occupations received much recognition and focus when Department of Higher Education and Training (DHET) gave the concept acknowledgment in the skills planning domain. By creating the Organising Framework for Occupations (OFO) and placing occupations as the central focus of measuring skill imbalances, employers are mandated to align jobs to occupations for workplace skills plans reporting purposes.

Occupational identity is shaped by changing institutional and cultural contexts, the social relations of particular workplace environments and changing labour market conditions and hierarchies. Education is considered a socially acceptable way of ranking people which most employers would find it hard to do without. Wolf (2002, p29) explains that within firms “**employment is signalling as a simple way of ranking, screening and selecting employees**. Employers also pay more to the educated because this guarantees them employees with particular skills; or because the educated tend to be more smarter and to work harder or that hiring by credentials is convenient, legal and unlikely to lead to trouble. Employers are generally on the lookout for the most able and intelligent people they can find”.

Occupations are recognised and classified. **Occupational classifications:** The International Labour Organization (ILO) defines it as “a tool for organizing all jobs in an establishment, an industry, or a country into clearly defined set of groups according to the tasks and duties undertaken in the jobs”. The commonly used classification of occupations is the International Standard Classification of Occupations (ISCO) which maps national classifications into internationally comparable clusters that allow for international comparison. This is the occupational classification system which is covered later in the report.

Occupational classification uses **occupational standards** as ‘classifications and definitions of the main jobs that people do’ (CEDEFOP 2009, p21). The main feature of occupational standards is the bridging function they perform to link qualifications to the labour market, but definition can be refined by further examining how they perform this function. The rationale for developing occupational standards is the strong assumed link between employment requirements and education when qualifications are related to occupational standards. **Educational standards** ‘focus on what people need to learn, how they will learn it, and how the quality and content of learning will be assessed’. In contrast to occupational standards, which are written following the logic of the occupation, educational standards follow a pedagogical logic. As an example, occupational standards may include a list of competences, clustered to follow the main tasks and functions of an occupation: the aim is to deliver a systematic description of the occupation. In contrast, educational standards include a list of competences organised in learning fields or teaching units, following the logic of progressive accumulation of knowledge and skills: the aim is to steer the learning process.

The terms jobs and work are often used as if they have the same meaning. Guy Standing (2009a) draws a distinction between labour (or jobs) and work. He says that ‘work’ conveys the intimate link between the work we do and how we are seen by society or by ourselves. It also conveys a sense of life narrative – of development and growth. If it is accepted that workers perform social functions and not merely productive tasks, ‘labour’ or ‘job’ do not capture the normative dimension of occupation or what work means for individuals’ lives. These terms exclude ‘pride of craft’, a sense of occupational discipline and freedom from the blind following of routine. Work should be seen, he argued, as a set of activities and tasks that together form a vocation because they evolve from ‘traditions and accumulated knowledge’ which convey unique combinations of ways of being and norms of practice associated with the occupation.

In broad terms the nature of work refers to the physical, social, technological and environmental requirements of the activities to be carried out by the worker.

Simply stated, work is a **regular activity** that one carries out, and receives remuneration in return. work generally has a title (we commonly refer to it as a **job title**) with a detailed list of the activities/tasks that the individual is required to perform and this is termed ‘job description’. A job title may be the same across two companies but the **description** of work may vary. In the workplace, work is generally connected to an employment contract which details the conditions of the work to be carried out. A person can have a full-time work, part-time work or contract work (**see more on work and employment**).

Ghailani et al (2018; p13) explain the relationship between work and tasks and suggest that “jobs are **bundles of tasks** rather than a simple reflection of one kind of task. Even if some tasks are substitutable by machines, this does not imply that the whole job will disappear as many jobs require a combination of tasks and related skills”. The different categories of tasks tend to bundle together into particular jobs. Tasks are put into bundles, which are then advertised as jobs, for which workers who have been trained for those bundles must be hired in order for them to be carried out within an organisational structure.

Job profiles which are also called job descriptions and set out details of the functions, duties and responsibilities for a particular job. The profile or description should outline a very general description of the work to be done and should include functions, duties and responsibilities. In addition, other information such as educational requirements and related experience should be outlined and highlighted. One of the main objectives of a good job profile is to assist in the recruiting process. It can be of great assistance to the manager conducting the interview and will assist in determining if the applicant is a good fit for the position.

The OECD (2016, p2) has identified three dimensions for economies to measure the **quality of work**:

1. **Earnings quality**: This is the extent to which the *level* of earnings and other benefits that are received by workers allow them to have good material living standards and personal well-being, and the extent to which the *distribution* of earnings is shared equitably across members of a workforce.
2. **Job security**: This is the relative security of a job, including the probability that the job will be lost and the economic costs incurred to the individual when the job is lost.
3. **Quality of working life**: These are the noneconomic factors that contribute to worker well-being, such as working-time arrangements, physical health and safety, learning and advancement opportunities, autonomy and control to make decisions, and cooperative and positive relationships and communications between the workforce and management.

Wittenberg and Arrow (2013) explain that “**job creation** occurs in firms that expand employment or in new firms whilst **job destruction** occurs in firms that contract their level of employment or by the death of a firm that closes down”. Their study on job creation and destruction reveal that there may be significant job creation occurring in the informal economy but this cannot be measured. However, casual and self-employment, both of which are much more likely to be prevalent in the informal economy are much less stable than regular, formal employment. Informal employment is much less likely to be employed six months later, compared to the likelihood that an individual with a formal job is still in a formal job six months later. This suggests that although job creation might be relatively high in the informal economy, job destruction is also higher. Internationally, job creation and destruction rates are higher in smaller firms, although there is mixed evidence as to whether net job creation is higher in small firms. We do find that net job creation rates are higher in larger firms.

4. Policy Implications

On the concept of jobs/work:

- Work is the practice of knowledge: Linking work and knowledge must form part of policy. Change happens fast in the world of work, driven by innovation and by developments in technology and markets. Keeping up with this pace of change is a continuing challenge for workers. There is a persistent gap between the kind of knowledge and skills that are most in demand in the workplace and those that education and training systems continue to provide.
- Job profiles and job descriptions. Tasks and activities that define a job are clustered into the creation of occupations. As jobs feed into data on labour data, SETAs must collect data on jobs in

their sectors. Job profiles can be used to determine job shifts and the changing nature of the occupation.

- Measuring the quality of a job. The criteria for measuring the quality of a job include earnings quality, job security and quality of working life. South African labour policy should include a work life balance component especially in the wake of the use of mobile communications which is making the worker to be available on a 24-hour basis.
- Job creation and destruction in both the informal and formal environments needs to be measured. Measuring job creation or number of new jobs created and the type of job created at a sector level as well as the number of jobs that have been lost and no longer exist is important for determining where potential new job growth lies.
- Innovation and knowledge: Technological innovation, and organisational transformations are changing the way business are conducting business leading to changes in the types of skills demanded by employers in the workplace. Due to advances in technological innovation, new jobs are emerging while other jobs are becoming extinct, thus leading to changes in the skill requirements employers need in the workplace. The tasks performed and skills needed to carry out such tasks within existing occupations are undergoing significant changes.

On the concept of occupations:

- Occupational identity. Using the criteria of changing institutional and cultural contexts, the social relations of particular workplace environments and changing labour market conditions and hierarchies, occupational identities inform the labour market of those occupations that are popular. Occupational identity and professionalism are linked and needs to be clearly defined.
- Occupational shortages/surpluses. The share of employment in shortage occupations shows the ratio of jobs that are in shortage and surplus, the intensity of shortages or surpluses provides an idea of how strong such shortages and surpluses are. In some occupational groups, several jobs might be in shortage, but the intensity of the shortages might be small. In other occupational groups, a few jobs might be in shortage while the shortages are very intensive.
- Occupational shortage occurs when there are scarce professionals to fill up existing job vacancies, while surplus arises when there are more than enough professionals for existing job vacancies. One of the key deliverables in developing sector skills plans, is for SETAs to determine occupational shortages for their sectors. In international literature, this is also referred to as skills shortages.

Recommended Policy Guidelines:

A simple relationship exists between jobs and occupations. Many jobs with similar attributes are combined to develop an occupation. Both concepts are well defined in the OFO. Jobs are specific to firm and individual employees whilst occupations are more general categories within the labour market. Within the South African skills planning landscape, the concept of occupations is central to the discussions. When looking at the demand for skills, the impact on the number of jobs, the structure of the jobs, the composition of the job and job earnings are important.

Linking occupational standards and educational standards will address some of the skills mismatches that the economy faces. Providing a clear link between occupational standards and educational standards within the NQF framework within the three qualification sub-frameworks will bridge the gaps between occupation and educational attainment.

On TVET colleges, WP-PSET identifies one of their roles is improving student support including “*placement in jobs*”. This will provide a new perspective and function of the TVET Colleges. It may also serve as an important measure of the quality of the qualifications by measuring the placement rate of these TVET graduates. This is a positive role that the college environment can play and will stimulate a better understanding of industry skills needs. Making career counselling a responsibility of the TVET colleges is the right choice with SETAs to play a supporting role, but career counselling cannot be separated from occupations. There must be an alignment of career progression to broad occupational paths using the group structure of the OFO.

Although not directly stated, the role of the TVET environment in providing career counselling underpins, the understanding that TVET Colleges must have a good sense of the jobs available in industry.

The review of the qualifications and programmes make no mention of alignment to occupations or OIHD. If this review is to provide meaningful information and result in the creation of relevant vocational programmes, jobs and occupations must form part of this analysis. As per the NSDP the development of new qualifications will include work experience for certification and this will make these programmes more relevant in producing graduates who are work ready. The introduction of occupational programmes to both the TVET and the CET environments are new but an important part of growing vocational skills for mid-level jobs and occupations. Occupational programmes also play an important role in re-skilling where the labour market would have to change career paths as a result of the changes that the fourth industrial revolution may bring.

The WP-PSET clearly indicates that poor skills planning is not creating the correct list of occupational shortages. This information is only available from industry. Industry skills planning using occupations as the foundation needs to be strengthened and properly linked to jobs. Industry understands jobs but data is collected according to occupations. Industry is tasked with aligning jobs to occupations as listed in the most recent 2019 OFO codes. Perhaps, the data should be collected as jobs and SETA occupation experts should do the alignment.

Link between skills levels and job creation. It is understood that skills levels of the current and future labour force have a direct link to job creation in that the higher the skill level, the greater the chances of job creation. This is linked to the use of new knowledge and innovation and technological advancements.

The NSDP is a “*policy document with a specific focus on occupations in high demand*”. NSDP outcome “*identify and increase production of occupations in high demand*”. Create a national list. This list must be used by the PSET supply system and the skills levy funding institutions. If the data to collate the list is correct, then at least current occupational shortages will be addressed. NSDP reflects that

the reason for using the notion of occupation is the language used in the demand side, which is the labour market.

NSDP indicates that it is important to “*maintain occupational standards*”. Occupational standards are not static and require revisions as the nature of occupations change due to labour market shifts. Occupations become extinct, new occupations emerge and there are also changes to current occupations. To ensure relevance DHET has been consistent in developing a process for SETAs and industry to amend the OFO as required. DHET has released new versions of the OFO every two years.

Linking jobs to occupations. Guidelines needs to be developed to align jobs to occupations. This pre-task to the development of WSPs should not be left to the employers but rather the appointment of OFO specialists to perform. This should be a SETA responsibility. In terms of Occupational classification, there is a need to relook the OFO in terms of the current labour market. Review the OFO to determine relevance of all occupations and to measure occupational change related to the changing economy.