

SUMMARY POLICY BRIEF:

MAPPING JOBS TO OCCUPATIONS FOR THE SOUTH AFRICAN BANKING SECTOR

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This policy brief summarises a study on mapping jobs to occupations on the OFO in the banking sector. It is part of a wider investigation into occupations in the sector conducted under the Research Chair in Skills and Occupations. Appointed by BANKSETA, the Chair is located at the Researching Education and Learning Centre (REAL), at the University of Witwatersrand.

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1. Background, aims and approach of the Study

The recently gazetted National Skills Development Plan (NSDP) seeks to forge closer links between the worlds of education and work to ensure that a skilled and capable workforce is created that can contribute to ‘economic growth, employment creation and social development’ (2019, p.5). One of the key mechanisms currently being utilised for skills planning and analysis, is the provision of accurate, relevant, and timeous data pertaining to occupations. This will become even more important if the goals of NSDP 2030 are to be realised.

At present the main system used to gather occupational data for the purposes of skills planning is that of the Organising Framework for Occupations (OFO). The OFO is a coded occupational classification system under the custodianship of the Department of Higher Education (DHET).

When submitting data to their relevant Sector Education and Training Authority (SETA), employers have to match (or ‘map’) their job titles to general occupations and their related specialisations as defined on the OFO. The aggregated occupational data from employers is then used to determine labour market demand, and to inform education and training and other supply side interventions.

The Organising Framework for Occupations

The OFO aims to provide a common point of reference for analysing the supply of and demand for skills. It works by capturing jobs in the form of occupations, and groups occupations into successively broader categories and hierarchical levels based on similarity of tasks, skills, and knowledge. Within the OFO system, a **job** is defined as ‘a set of tasks and duties carried out or meant to be carried out, by one person for a particular employer, including self-employment’, while an **occupation** is ‘a set of jobs whose main tasks and duties are characterised by a high degree of similarity (skill specialisation)’. This means a range of jobs with sufficient similarity in purpose and tasks are often mapped to one occupation. **Skill** is defined as ‘the ability to carry out duties and tasks of a specific job’.¹

In order to ensure that accurate data is generated for skills planning, the initial process of matching of jobs to occupations must be done as accurately as possible. This is often not the case – for a number of reasons that will be outlined in this summary report. In addition, in order to ensure the OFO keeps pace with the changing nature of work, the occupations on the OFO should be regularly and systematically updated. Cognisant of this issues, BANKSETA commissioned research which focused on the jobs-to-occupations mapping process in the banking sector.

The jobs-to-occupations mapping study comprised the mapping of a sample of (100) jobs in the banking sector to relevant occupations. This process, and insight from BANKSETA stakeholders, was used to generate recommendations and tools to support the use of the OFO in the sector. One of the tools generated was an electronic mapping tool, the purpose of which is to assist Skills Development Facilitators (SDFs) in simplifying the jobs to occupation mapping process.

This short report summarises the findings and recommendations from the jobs-to-mapping study. While focused on the banking sector, many of the recommendations have wider applicability for SETAs and employers in other sectors, and for the strengthening of the OFO system.

2. Findings

The study surfaced a range of challenges related to appropriately mapping jobs to occupations on the OFO. Some of these are related to uneven understanding of the system on the part of users in employer organisations, some caused by limitations in the current OFO system, whilst others relate

¹ DHET (2017). Guidelines: Organising Framework for Occupations 2017, p. 6.

to the need to update occupations on the OFO to ensure that banking-related occupations are adequately catered for.

BANKSETA and employers note that **the banking environment is changing rapidly**: digitisation and compliance requirements in particular are significantly changing roles within banking. **This is not reflected on the OFO**. The changing nature of work is also resulting in certain occupations becoming obsolete or their purpose, tasks, and skill requirements changing significantly. Increasingly, roles consist of more integrated functions and cut across traditional fields/disciplines. This makes finding a suitable job to occupation match more complex. Some OFO descriptors and tasks are not being updated in line with the changing nature of work as reflected in jobs, making a logical match difficult; and new and emerging roles are not always well represented on the OFO.

The South African Banking Sector

South Africa has a well-established and regulated banking sector that compares favourably in international rankings. The sector employs approximately 196,421 people with the top five banks (ABSA, Nedbank, First Rand, Standard Bank and Capitec) collectively employing over 70% of the workforce. Apart from these large banks, the sector includes the South African Reserve Bank, development finance institutions, local branches of foreign banks, co-operative banks and finance institutions, micro-finance institutions, stokvels, and others. There is a total of 350 different occupations in the banking sector. The largest broad occupational grouping in banking is that of clerical support workers, with about 70,000 employees falling under this category. The second largest grouping is that of managers – about 40,000 employees. ‘Professionals’ also feature prominently in the sector.²

Occupations in clusters across the banking sector require review on the OFO – these include occupations across occupations related to information and communication technology (ICT); finance; compliance, risk and regulation; sales and marketing; in management; and in occupations relevant to work in bank branches. Technological change is especially changing occupations in the **ICT cluster**.

The mapping of occupations relevant to **management** can be a particularly complex task. Given the diverse job titles and functions in the banking sector, as well as an increasing integration, multi-disciplinarity and complexity of roles, managers’ primary function is managing people and processes, and the line function is often secondary. Whilst this complexity is acknowledged, there is nonetheless an **over-reliance on more general occupations**, such as Corporate General Manager, which is used as ‘a catch-all’ for high level complex roles. This leads to the under-specification of certain occupations. The reason for this appears to be two-fold: first, this is related to the complexity, seniority, and integrated nature of many of the managerial roles within banking and the difficulty to locate them within a specifically defined occupation and, second, this is related, at times, to the lack of rigour on the part of employers in finding an alternate reasonable OFO occupational match.

In some cases, inconsistent and unconsidered application of the OFO by employers and a lack of understanding in certain instances regarding the logic, structure and content of the OFO has led to inaccurate data for skills planning purposes.

In particular, the study highlighted that **there is a tendency by employers to conflate the meaning of the terms ‘job’ and ‘occupation’**. Multiple jobs can, and often should, be categorised under a single occupation, but this was often not the understanding of employers. There was a strong inclination to see a 1:1 and direct correlation between a job (which can be narrowly contextually determined not only at the level of a specific employer, but also to the level of individual department) and occupation. This results in a potential proliferation of ‘occupations’ on the OFO, and thus to problems with ensuring that occupational data is sufficiently aggregated to usefully inform skills planning. In response, the DHET (understandably concerned with the proliferation of occupations on the OFO),

² BANKSETA. (2018). Sector Skills Plan Update 2018/2019, p. 23-27.

sometimes rejects reasonable applications for the addition of new occupations. There is therefore a need for DHET as well as SETAs to provide clear and detailed definitions and explanations to stakeholders regarding the concepts of jobs and occupations. The implications of a conceptual blurring between the two concepts should also be explained and illustrated.

A study by the LGSETA also noted that there is a **tendency to interpret job titles inconsistently** (LGSETA, 2018). What this entails is that different organisations use the same or similar job titles with different understandings of what the job entails.

Appropriate mapping can also be hampered by **insufficient detail contained in job descriptions**, particularly in relation to tasks. Alternately, too much irrelevant information can slow down the mapping process. This points to a potential incentive for employers to streamline how they describe and categorise jobs that could lead more accurate mapping, reduce their human resource administrative burden, and increase operational efficiency.

Care should be taken by employers to try and **identify the core of the job (using job purpose and tasks) in order to accurately determine the most viable OFO occupation** that corresponds to it. In some cases, though, this is easier said than done. Many employers place an emphasis on the need for employees to be multi-skilled and conduct a range of tasks and duties spanning across traditional and narrow domains of specialisation. Precisely where the emphasis in defining an occupation is placed is heavily context dependant, and a matter for further in-depth qualitative engagement. One way of overcoming this constraint is for HR officials, or others engaging in OFO mapping, to consult with employees within the organisation practicing the occupations they are mapping.

The study also highlighted a number of challenges with the current OFO itself: some of these issues were mapping process:

- BANKSETA employers noted that the OFO is an occupation framework, and that **the OFO does not speak to skills as banks understand them**, and that the skills component of the OFO seems minimal and open to interpretation. They noted a different understanding and use of terminology, such skills, skills specialisation, and scarce and critical skills, in the banking environment compared to that of DHET and SETAs. The view was expressed that specialisations are often critical in the banking environment, yet they are inadequate on the OFO.
- Given that the OFO is an occupation framework and does not adequately cater for skills and knowledge, **a strong concern was raised by banking stakeholders that using the OFO to inform skills planning and reporting results in inaccuracies that omit the complexities and nuances of occupations and skills requirements**. The inaccuracies are thus evident in the identification of skills needs, priorities, and interventions (including grant allocations). It is, however, recognised that the Occupational Learning System (OLS) is aimed at unpacking the qualification requirements and the curriculum components relative to the occupation descriptors and tasks as defined in the OFO. Though concerns were also raised by banking stakeholders about the inadequacy of this OLS process.
- As noted, a single occupation can consist of multiple jobs. In order for a job to be categorised as belonging to a type of occupation it must share certain common features of the occupation. While a greater understanding on the part of employers is needed on the distinction between a job and an occupation, the Study notes that **it is not clear what criteria are used in the OFO to determine when a set of jobs become distinct enough to be categorised as a separate occupation**.
- At present the OFO suffers from a **lack of information at the individual occupational level**. Solely providing a purpose is not enough: this research found that it extremely difficult to utilise what at

times amounted to 6 pages of job description information to map to a line or two of descriptor information at the 6-digit occupational level on the OFO.

- Furthermore, **a clear distinction needs to be drawn between specialisations and alternate titles** as the two concepts are distinct.

In summary, the official purpose of the OFO is to create a common language in terms of occupations. Many of the findings from this study highlight that in and of itself the OFO is incapable of generating a common language. Employers must collaborate to construct a common language where a mutual consensus is reached regarding which jobs are to be mapped to which occupations on the OFO. This process should be facilitated by the SETA and the DHET.

3. Recommendations

Despite the limitations of the OFO, it remains critical to facilitating improving skills planning within the current system. There is space to productively and constructively work with the current OFO at a sector and inter-sector level. In the following section, a series of recommendations are outlined for improving the process of mapping jobs-to-occupations, and more broadly, for improving the OFO system.

3.1. Recommendations on specific occupational clusters within banking

Branch of a bank cluster: BANKSETA needs to convene a suitable group of stakeholders to review and, if required, revise Descriptors and Tasks at Sub-major, Minor and Unit Groups levels, update Bank Worker Descriptor and review the long list of specialisations, and consider whether Banknote Processor (2017-421104) is still required as a separate occupation. BANKSETA must also ensure that those within the banking sector responsible for mapping understand that occupational tasks may include a supervisory function. A suitable occupation mapping needs to be considered for the managers within a branch, other than Branch Manager.

ICT cluster: A review of all the ICT occupations on the OFO, *in collaboration with other relevant SETAs*, is required to determine how the ICT occupations currently on the OFO need to be updated or where there are substantial absences in terms of data and digital occupations that need to be addressed. This must include a focus on cyber security.

Compliance, Risk, and Regulation cluster: A review of the occupations within the compliance, risk, and regulation cluster that had a weak OFO match is required, with the involvement of relevant stakeholders.

Sales and Marketing cluster: Sales and marketing occupations within the OFO should be reviewed and, if required, updated. The Business Development Manager, currently a specialisation of Sales and Marketing Manager on the OFO, generally appears to be a broader role and consideration should be given to this being a separate occupation.

Finance cluster: Finance occupations on the OFO appear outdated. *Inter-SETA collaboration will be required to update them.* This is crucial to ensure that a state of affairs does not arise where there is a banking bias in terms of how finance occupations are constructed and articulated on the OFO.

Use of Corporate General Manager: Where the OFO does not explicitly cater for a managerial role, most of these managers are essentially responsible for running a department /office with a specific mandate. One of the more generic titles and descriptors could then be used. BANKSETA stakeholders, however, should avoid inconsiderate mapping to 'Corporate General Manager'. Where there is no other possible match, this occupation can legitimately be used, particularly for complex, senior, and integrated managerial roles within banking that span divisions or even counties.

Other occupations outside of the clusters: A smaller number of jobs were mapped to various occupations that were not located within the clusters. Jobs mapped to Unit Group Management and Organization Analysts (2017-2421) require further engagement and consideration with BANKSETA stakeholders.

Regulated roles: Regulated designations/roles within the banking environment need to be closely examined by BANKSETA, professional bodies, and other relevant stakeholders as it is imperative that these are accurately reflected in relevant occupations and applied consistently across the sector.

Integrated, complex, and changing roles: As a result of digitisation, technological developments, and other changes within banking in South Africa and globally, occupations are changing rapidly, with often a greater integration of roles and greater degrees of complexity. Such roles cut across traditional disciplines and occupational categories, not necessarily only within a banking environment. This, and the impact of digitisation on occupations, needs serious consideration by DHET, BANKSETA, and other relevant parties.

Proposed future research

- Review the future of banking in South Africa in a global context, examining the changing nature of work within banking, and the implications for jobs, occupations, and the wider skills pipeline.
- Develop detailed value chains (or interconnected value chains forming value webs) for the banking sector. This will assist in developing a more comprehensive understanding of the context in which occupations develop and function.
- Examine the career pathways of ICT professionals using an intersectional perspective (utilising the interrelated lenses of race, gender and class).
- Study key occupations or occupational clusters, examining labour supply and demand, to inform appropriate interventions.

3.2. Recommendations for the SETAs

SETAs, including the BANKSETA, need to drive the improvements in the quality of occupation and skills data in their respective sectors. *Higher levels of collaboration and co-ordination between employers and other stakeholders is an essential requirement in improving the quality and consistency of OFO mapping.* This should be initiated, facilitated, and driven by the SETA.

Inaccurate data regarding occupations has serious implications in terms of skills planning and provision. A stronger understanding of the centrality and importance of the OFO needs to be developed within BANKSETA, across the organisation right up to board level. More generally, SETAs need to build and sustain teams with a deep understanding of occupations.

An analysis of the occupational and skills data from Annexure 2 of Workplace Skills Plans should be undertaken and published annually by all SETAs. Engagements with employers should be undertaken with a view to addressing data inaccuracies and anomalies. And SETAs need to systematically work with employers on supporting them in accurately mapping their jobs to OFO occupations.

Relevant stakeholders and subject matter experts must be brought together by the SETAs to review and revise occupations core to their sector and motivate changes to the OFO to DHET.

BANKSETA needs to work with other SETAs when undertaking the OFO review and revision with regard to occupational clusters that go beyond banking, such as ICT and finance occupations.

3.3. Recommendations for the DHET

DHET must play a strong leadership role and centrally drive the review and revision of an updated OFO that more accurately reflects the South African labour market context. This process must involve

SETAs, employers, subject matter experts, professional associations, and other relevant parties. DHET needs to lead the development of sufficient capacity within the skills development system to revise, maintain, implement, and sustain an up-to-date, relevant OFO.

DHET's standardised terminology is not commonly understood across the skills development system, and this needs to be addressed. A sustainable training intervention on working with occupations, skills, and the OFO should be put in place by relevant public institution/s to support DHET in ensuring capacitation within the skills system.

Regarding adaptation to the OFO, the Study recommends that for every occupation on the OFO there should be common tasks associated with the given occupation (not just at the unit level). Furthermore, a clear distinction needs to be drawn between specialisations and alternate titles: a one or two-line description of what the specialisation entails and how it differs from the occupation of which it is a specialisation will also provide much needed clarity. Alternate title should still be included and be as numerous as possible as this will help employers to link their job to a given occupation.

If the vision of NSDP 2030 is to be realised, a future-orientated perspective regarding occupational classification is required. There is a need to revise, improve, or even replace the current OFO with an occupational classification system that is better structured, more intuitive, user-friendly, and responsive to change drivers such as the fourth industrial revolution and the green economy.

How could the above process be operationalised? One way to proceed would be for the DHET (in a well-managed and coordinated process) to assign each SETA a number of occupations. Some of these occupations would be specific to their sector. Other occupations (such as those in finance and ICT) would still need to be the responsibility of a single SETA, but inter-SETA working groups would need to be established to obtain cross-sector input and verification. The first step would be to review the assigned occupations to determine the scope of coverage and relevancy of information. The second step would be to arrange extensive and repeated stakeholder sessions where the OFO occupations are updated, removed or new occupations are created. One or two employers or other prominent stakeholders should not dominate this process. The DHET should then perform a quality check and should be initiated and directed by DHET, with the SETAs responsible for implementation in their sectors.

The OFO should then be migrated to a digital platform. Updating of the OFO will also be much easier if a user-friendly interface is created, with DHET in charge of gate keeping and verification. Once the OFO has been updated in its entirety and migrated to an online platform, the process of adding additional categories of *occupational information* can begin. Leading occupational classification systems internationally could then be reviewed and adapted to the South African context.

To transition from the OFO as it stands to a more sophisticated and responsive system will indeed be resource intensive and disruptive if undertaken at once. If it is undertaken in stages (as recommended here) it can be achieved without utilising excessive resources or causing undue disruption. An investment of time, energy, and resources in altering and improving the OFO seems warranted given its central role in aligning skill supply with demand, and achieving the goals of NSDP 2030.