



---

**RESEARCH CATEGORY E: IMPLICATIONS OF  
COVID-19 ON THE BANKING AND ALTERNATIVE  
BANKING SECTOR**

***Comprehensive Research Report***

*Version: 2.00D*

*Date: February 2023*

*Author: Redflank*



## APPROVALS

Sign-off signifies acceptance of the content. Conditional signature can be made, with space provided to express conditions.

Name	Designation	Organisation	Date	Signature	Conditions/Comments
Evans Riba	Specialist: Research and Development	BANKSETA			

# Table of Contents

<b>Table of Contents</b> .....	<b>3</b>
<b>List of Tables</b> .....	<b>5</b>
<b>List of Figures</b> .....	<b>5</b>
<b>List of Acronyms</b> .....	<b>6</b>
<b>1 Executive Summary</b> .....	<b>7</b>
<b>1.1 Project Background</b> .....	<b>7</b>
<b>1.2 Research Methodology</b> .....	<b>7</b>
<b>1.3 Research Findings</b> .....	<b>8</b>
1.3.1 Impact of COVID-19 on Organisations' Operating Models .....	8
1.3.2 Impact of COVID-19 on Client Needs .....	9
1.3.3 Risks Encountered as a Result of the COVID-19 Pandemic .....	9
1.3.4 Impact of COVID-19 on Jobs and Skills .....	9
1.3.5 The Impact of COVID-19 on Training and Educational Initiatives .....	10
1.3.6 The Role of BANKSETA in Improving Skills Development .....	10
<b>1.4 Key Findings and Recommendations</b> .....	<b>10</b>
1.4.1 Positive Practices .....	10
1.4.1 Recommendations .....	11
<b>2 Introduction</b> .....	<b>13</b>
<b>2.1 BANKSETA Overview</b> .....	<b>13</b>
<b>2.2 Project Background</b> .....	<b>14</b>
2.2.1 Project Objectives .....	14
2.2.2 Key Research Questions.....	14
2.2.3 Scope of Work.....	15
<b>3 Research Methodology</b> .....	<b>16</b>
<b>3.1 Conceptual Approach</b> .....	<b>16</b>
<b>3.2 Summary of Research Undertaken</b> .....	<b>16</b>
3.2.1 Desk-Based Research .....	17
3.2.2 Fieldwork Undertaken .....	17
<b>3.3 Sampling Approach</b> .....	<b>18</b>
3.3.1 The Bellwether Methodology .....	18
<b>3.4 Respondent Demographics</b> .....	<b>19</b>
3.4.1 Organisations .....	19
3.4.2 SDFs and Training Providers .....	20
<b>3.5 Data Analysis Procedure</b> .....	<b>22</b>
3.5.1 Qualitative Data .....	22
3.5.2 Quantitative Data .....	23
<b>3.6 Research Limitations</b> .....	<b>25</b>
<b>4 Research Findings</b> .....	<b>26</b>
<b>4.1 Impact of COVID-19 on Banking and Alternative Banking Sector</b> .....	<b>26</b>
4.1.1 Impact of COVID-19 on Organisations' Operating Models .....	27



4.1.2	Impact of COVID-19 on Client Needs .....	36
4.1.3	Risks Encountered as a Result of the COVID-19 Pandemic.....	39
<b>4.2</b>	<b>Impact of COVID-19 on Banking and Alternative Banking Skills Development Landscape</b>	
	<b>41</b>	
4.2.1	Impact of COVID-19 on Jobs and Skills .....	41
4.2.2	The Impact of COVID-19 on Training and Educational Initiatives .....	48
4.2.3	The Role of BANKSETA in Improving Skills Development .....	54
<b>5</b>	<b>Recommendations.....</b>	<b>57</b>
<b>5.1</b>	<b>Positive Practices .....</b>	<b>57</b>
<b>5.2</b>	<b>Recommendations .....</b>	<b>57</b>
<b>6</b>	<b>Conclusion.....</b>	<b>61</b>
<b>7</b>	<b>References.....</b>	<b>63</b>



## List of Tables

Table 1-1: Positive Practices .....	11
Table 2-1: Section Outline.....	13
Table 5-1: Positive Practices .....	57
Table 5-2: Recommendations .....	57

## List of Figures

Figure 3-1: Conceptual Approach .....	16
Figure 3-2: Type of Organisation.....	20
Figure 3-3: Geographical Representation .....	21
Figure 3-4: Size of Organisation .....	22
Figure 3-5: Illustrative Sample Survey Results .....	23
Figure 3-6: Illustrative Sample Graph 1 .....	24
Figure 3-7: Illustrative Sample Survey Results 2 .....	24
Figure 3-8: Illustrative Sample Graph 2 .....	25
Figure 4-1: Organisations' Operating Status .....	26
Figure 4-2: Extent to which to Respondents Agreed that Jobs/Skills have Emerged/Become Redundant.....	41
Figure 4-3: Skills Emerging as a Result of the COVID-19 Pandemic .....	44
Figure 4-4: Occupations Emerging as a Result of the COVID-19 Pandemic .....	45
Figure 4-5: Redundant Occupations as a Result of the COVID-19 Pandemic .....	47
Figure 4-6: Extent to which the COVID-19 Pandemic Impacted Organisations' Ability to Provide Training .....	49
Figure 4-7: Challenges Experienced when Attempting to Provide Education and Training During the Pandemic.....	50
Figure 4-8: Extent to which Respondents Agreed that Training Providers are Adequately Capacitated to Provide Training on Emerging Skills.....	52
Figure 4-9: Emerging Trends in Education and Training .....	53
Figure 4-10: The role of BANKSETA in Improving Skills Development.....	55



## List of Acronyms

ATM	Auto Teller Machine
CBI	Cooperative Banking Institutions
CEO	Chief Executive Officer
DHET	Department of Higher Education and Training
FSCA	Financial Sector Conduct Authority
ICT	Information and Communications Technology
ILO	International Labour Office
MS	Microsoft
NSDP	National Skills Development Plan
POPIA	Protection of Personal Information Act
PSET	Post School Education and Training
SDF	Skills Development Facilitator
ToR	Terms of Reference
UPS	Uninterruptible Power Supply

# 1 Executive Summary

This section provides a high-level overview of the project background and the research methodology used for the study, as well as providing a high-level summary of the key findings emerging from this study.

## 1.1 Project Background

COVID-19 has been a catalyst in changing existing structures or policies relating to the working conditions of employees within the banking sector. According to Business Tech (2021), the COVID-19 pandemic forced companies to rethink workplace strategies and forced companies to implement innovative policies which allowed employees to work remotely during the pandemic. Additionally, for some companies, such as Nedbank, revised policies were developed that have given employees the right to work from anywhere outside of the office on a permanent basis.

A report by the International Labour Office (“ILO”) (2020), cited that while there have been many resultant positive implications for the banking and alternative banking sector as a result of the COVID-19 pandemic, there are also negative implications, specifically with regard to skills development. The implications brought about by COVID-19 to the workplace and skills development need to consider the need for improved digital skills development and communication skills. According to Han Hu, et al. (2021), consumer expectations have heightened as a result of the pandemic. Additionally, there has been a shift in the market towards improved online banking services. This undoubtedly plays an important role as to how BANKSETA prepares the workforce for these changes.

Consequently, BANKSETA commissioned a research study aimed at understanding the implications of the changes brought about by the COVID-19 pandemic in the banking and alternative banking sectors, specifically with regard to changes to the workplace and skills development.

## 1.2 Research Methodology

The approach adopted for this project was based on Redflank’s defined research methodologies, customised for this engagement. This approach was premised on establishing fundamental principles for the Research Topic. This included defining specific research questions to be investigated, defining initial hypotheses through desktop research, testing and refining the initial hypotheses through consultations with relevant representatives within the banking and alternative banking sector and developing recommendations to assist BANKSETA implement the SETA’s research agenda and adapt to the impact of COVID-19.

Both desktop and field research were undertaken as part of the project. The desk-based research included reviewing relevant literature regarding the impact of COVID-19 on the banking and alternative banking sector, whilst the fieldwork involved conducting online surveys, in-depth interviews and focus groups. Consultations were conducted with SDFs and Training Providers as well as key decision-makers representing organisations in the banking and alternative banking sector. Overall, a total of 136 interviews, focus groups and surveys were conducted.

A Bellwether Methodology, which entailed conducting structured interviews with influential individuals within the sector (i.e. individuals whose positions require that they are aware of a broad range of policy issues) was adopted to ensure that the qualitative input gathered was relevant to the aims and objectives of the Project. This entailed selecting key decision-makers representing specific organisations within the banking and alternative banking sector, identifying specific criteria for the selection of the participants, arranging and conducting interviews with the participants, and conducting thematic analysis of the qualitative data gathered.



A total of 15 individuals from 7 major organisations within the sector participated in the study. This included individuals occupying positions such as Chief Executive Officer (“CEO”), Executive: Client Conduct, Executive: Human Resources, Head of Risk and Innovation, Strategy and Regulatory Specialist, Head of Operations, etc.

### **1.3 Research Findings**

The sections below provide a summary of the key findings stemming from this research project. Overall, it was found that one of the main impacts of COVID-19 on the banking and alternative banking sector was the accelerated adoption of alternative processes and ways of working, e.g. the accelerated introduction or enhancement of online banking tools. The accelerated adoption was necessitated by organisational aspirations to adapt to the pandemic and continue to be operational. It was noted that in order to be able to effectively adapt, organisations needed to be agile in their decision making and in the implementation of adjustments to strategies.

#### **1.3.1 Impact of COVID-19 on Organisations’ Operating Models**

A key adjustment that organisations had to make in response to the pandemic was adjustments to their operating models, including the accelerated adoption of digitisation and the need to adopt remote working.

This accelerated digitisation was necessitated by the need to ensure that organisations within the sector were able to continue providing their services to their clients. The enhanced digitisation entailed the introduction of digital banking systems, such as mobile banking applications and chatbots, the introduction of digital technology and the reduction of the physical footprint. It also included the transition to virtual transacting and the introduction of temporary virtual cards on banking applications, thus enabling consumers to transact online.

It was noted that organisations that were already digitally inclined at the onset of the pandemic were able to adapt more easily and make the transition to digitisation in a shorter timeframe.

A key factor that contributed to the need for organisations to enhance their digitisation was the adoption of remote working by organisations in the sector. This adoption of remote working required employers to provide their remote working staff with technological equipment, such as laptops and UPS’s, to enable operations to continue. This also entailed the introduction of virtual platforms for engagement purposes, including MS Teams, Zoom, Cisco Jabber, as well as ‘Live-Assist.’ These platforms meant that bank employees could not only communicate internally with colleagues, but could also be contacted by clients. These innovations presented multiple benefits to organisations. It was noted that these resulted in improved flexibility in the operations of the organisations; improved productivity, morale and the overall wellbeing of employees in the banking sub-sector. Furthermore, it was found that organisations were able to reach wider audiences. The transition to remote working also had implications on the skillsets of employees, with findings indicating that skills such as digital literacy, data analytics, strong oral and communication skills, adaptability, time management, and technical skills were required. As a result of this, organisations were required to ensure that their employees were skilled accordingly by either upskilling or reskilling them.

For some institutions it was found that the transition to remote working was only temporary. Consulted stakeholders indicated that the banking and alternative banking sector was not prepared for a permanent transition to remote working. Reasons for this included the preference of some clients to be assisted in-branch, as well as a general lack of skills required to bank digitally. Despite this, the physical footprint of employees in certain branches of some organisations was found to have decreased due to the re-assignment of some staff to branches where the customer footprint had





increased, as well as the redesigning other branches to be more digitally inclined, thus only requiring essential staff.

### **1.3.2 Impact of COVID-19 on Client Needs**

It was noted that, in response to the impact of the pandemic which resulted in customers requiring their banking experiences to be convenient, personalised, and accessible (BANKSETA, 2022), institutions within the banking and alternative banking sector had to reassess and adapt their approach to addressing client needs. This included enhancing banking processes and content based on feedback received from clients. One of the processes that organisations looked to enhance was the way in which they engaged with their clients. It was noted that organisations began proactively engaging with clients, telephonically, via video conferencing or through chat bots.

In addition to the need for enhanced engagement, it was noted that, as a result of the detrimental effect that the pandemic had on operations and subsequently the ability of organisations to generate revenue, many businesses sought financial support during the height of the lockdown period. In response, banks introduced various relief measures including payment holidays to allow clients a temporary break in repaying their debt obligations to banks. It was further noted, however, that requests for these measures were received in large volumes, causing challenges for organisations within the banking and alternative banking sector. This, therefore, necessitated banks to communicate qualification criteria for payment holidays and the associated risks, as a mitigation effort, in order to reduce the number of requests received.

### **1.3.3 Risks Encountered as a Result of the COVID-19 Pandemic**

While the accelerated adoption of digital transactions was seen as a positive consequence of the COVID-19 pandemic, the FSCA (2022) noted that it created a platform for increased fraudulent activity, posing a threat to the protection of customers and the integrity of the financial sector. It was noted that online impersonation fraud increased by 337% in 2020 alone, at the height of the pandemic (FSCA, 2022). This was corroborated by Govender (2021) who indicated that digital banking and debit card fraud had increased by 33% and 22%, respectively. This was influenced by heightened efforts to phish and steal personal data from customers, as the frequency of digital transactions increased (Govender, 2021). Interviews with stakeholders further confirmed the view that there was increasing cybersecurity risk as a result of the new technology that organisations had implemented in response to the COVID-19 pandemic.

In addition to the abovementioned cybersecurity risk, stakeholders further identified credit risk as threatening the banking and alternative banking industry, as a result of the declining liquidity of clients. In response, organisations were required to reduce the credit issued to clients.

### **1.3.4 Impact of COVID-19 on Jobs and Skills**

With regard to jobs and skills, it was found that 78% of stakeholders believed that new skills had emerged as a result of the pandemic, while 64% believed that new occupations had emerged. Emerging skills identified included digital skills (83%), cybersecurity skills (67%), client relationship management skills (54%) and emotional intelligence (51%). The emerging occupations included risk managers (75%), cybersecurity specialist (73%), and client engagement managers (41%). Stakeholders further identified skills such as the ability to manage individuals and teams in a remote working environment and occupations that place focus on the wellness of employees as emerging.

On the other hand, it was noted that 64% of stakeholders believed that there were certain jobs that had become redundant as a result of the pandemic. These included tellers (38%), branch managers (19%) and call centre agents (13%). It was noted that while 53% of stakeholders believed that some

skills had become redundant, other stakeholders noted that rather than skills becoming redundant, the nature of the skills required had changed.

In light of the changing skills needs mentioned above it is important to understand the extent to which training providers are adequately capacitated to provide training on these new skills. It was found that 83% of stakeholders agreed that training providers are adequately capacitated to provide training on new skills emerging as a result of the COVID-19 pandemic.

### **1.3.5 The Impact of COVID-19 on Training and Educational Initiatives**

Globally, the COVID-19 pandemic and the associated lockdown and social distancing measures triggered an unprecedented disruption in the provision of education and training, while simultaneously serving as a catalyst to innovation, as evidenced by the introduction of distance learning initiatives (Allais, 2021). As part of this study, stakeholders were requested to identify the trends in education and training they believed had emerged as a result of the pandemic. Trends that were noted included the increased adoption of remote learning amongst education and training providers (91%), increased need for ICT/digital technology skills (85%), increased flexibility in training schedules (67%), and an increased need for ICT training initiatives (55%).

While access to learning and skills development initiatives were maintained in contexts whereby individuals had access to the relevant equipment and infrastructure, such as the internet and computers, this was not the case for all individuals, particularly those forming part of disadvantaged groups of society. In the South African context, Allias (2021) indicated that the COVID-19 pandemic exacerbated existing weaknesses regarding the manner in which education and skills training initiatives are provided to learners. This was supported by survey respondents, with 67% of stakeholders noting that the pandemic had either significantly or extensively impacted the ability of their organisation to provide training. Particular challenges cited as hampering the ability to provide training during the pandemic included learner's lack of access to adequate technology/digital infrastructure (62%), lack of digital infrastructure to provide education and training initiatives online (59%), and inadequate digital skills amongst learners and training providers (49%).

### **1.3.6 The Role of BANKSETA in Improving Skills Development**

A key outcome of this study was to determine how to strengthen the strategy and efficiency of the BANKSETA and how to support the skills planning process for the banking and alternative banking sectors in the post COVID-19 context. Given BANKSETA's critical role in skills development it was important to understand stakeholders' views regarding the steps BANKSETA could take in order to improve the skills development landscape post COVID-19. Some of the suggestions selected by stakeholders included increasing access to skills development initiatives through online programmes (73%), increasing the number of skills development programmes that are offered (71%) and facilitating relationships between training providers and employers to improve the integration from learning to the workplace (66%). Stakeholders further noted that BANKSETA may consider placing focus on ensuring that training providers are adequately upskilled with skills in line with the requirements and standards of the sector and may consider encouraging the provision and adoption of short courses on critical skills.

## **1.4 Key Findings and Recommendations**

The section below provides an overview of key findings, including positive practices identified through the study.

### **1.4.1 Positive Practices**

The following table outlines the positive practices stemming from the Study.

**Table 1-1: Positive Practices**

#	Positive Practice
1	As a result of the national lockdown, organisations were required to transition to working remotely, with only essential service staff remaining onsite. This had several implications on the ability of employees to provide effective service delivery. Various resources were required to enable this, including technological infrastructure such as laptops and UPSs. Where organisations were able to supply these to their employees, it was found that service delivery levels were maintained.
2	Some organisations introduced and/or adopted virtual engagement platforms, including MS Teams, Zoom, Cisco Jabber and “Live Assist” software in order to be able to maintain consistent engagement and provide assistance to their clients from remote locations.
3	The introduction of remote and hybrid working models appeared to improved flexibility in the operations of the organisations; as well as productivity, morale and the overall wellbeing of employees in the banking sub-sector.
4	The use of online platforms appears to have improved the sharing of information between clients and organisations and allowed organisations to reach wider audiences.
5	Certain banking and alternative banking institutions partnered with institutions of higher learning in order to secure relevant training for their employees from these higher learning institutions.
6	Organic and proactive strengthening and growth of skills relevant to changes in business practices (e.g. remote working, increase in online transacting) in response to COVID-19.

#### 1.4.1 Recommendations

A number of key recommendations are proposed for BANKSETA to consider in light of the impact of COVID-19 on the banking and alternative banking sector. The following provides an overview of the key recommendations stemming from the Study:

- Consider supporting and enabling the increased adoption of online training, which has become more prevalent since the inception of COVID-19.
- Consider ensuring that key occupations identified in the wake of COVID-19 are accounted for in BANKSETA's skills planning process.
- Consider ensuring that the skills needs identified in the wake of COVID-19 (i.e., digital, cybersecurity, client relationship management and emotional intelligence skills) are accounted for in BANKSETA's skills planning process.
- Consider accelerating the accreditation of new qualifications and online short courses, in support of emerging qualifications as well as the preference for online training following the COVID-19 pandemic.
- Consider exploring mechanisms through which BANKSETA can promote access to relevant devices and connectivity that may serve to bridge the ‘digital divide’, thus enabling equitable access to virtual and online learning, which has become more prevalent due to COVID-19.
- BANKSETA may consider introducing industry wide skills development initiatives to enable rapid and accessible skills development in response to specific skills needs surfacing in the wake of COVID-19. For example, BANKSETA could arrange focused training interventions, (i.e., training interventions aimed at addressing specific skills needs), to build the core skills required by the sector following COVID-19.
- Consider implementing interventions aimed at ensuring that training providers are capacitated in line with the changes in training delivery and training content emerging from the COVID-19 pandemic.



- BANKSETA should consider promoting partnerships that enable the timeous match between emerging skills needs and skills supply, drawing on positive practices of this nature during COVID-19.
- Aim to ensure that assessor and moderator capabilities keep pace with changes in training delivery and training content following on COVID-19.
- From a strategic and operational perspective, BANKSETA should take cognisance of the changes that need to be made to allow BANKSETA to implement the recommendations relating to this Project (should BANKSETA choose to implement these recommendations). For example, with regard to enhancing stakeholder engagement, it is believed that engagement with its stakeholders would be improved if BANKSETA as an organisation mirrors the changes in the business model and operations of the sector (e.g., virtual interactions); stemming from COVID-19.
- As part of its research agenda, BANKSETA may consider conducting further research on several topics identified through the key findings from this Study.

## 2 Introduction

This report presents the findings and recommendations from the research study conducted on the implications of the changes brought about by the COVID-19 pandemic to the banking and alternative banking sector, specifically with regard to changes to the workplace and skills development (“The Project” or “The Study”).

The report begins by providing an overview of the project background and approach. This is followed by a description of the research methodology adopted for the study and a description of the challenges that were encountered during the project.

Primary and secondary data were analysed to offer the insights contained in this report. Data collected and analysed included both quantitative and qualitative data. Qualitative data was sourced through in-depth interviews and comments made by stakeholders in surveys, whilst quantitative data was based on survey results.

The following table provides an outline of the sections contained in this document.

*Table 2-1: Section Outline*

Section	Contents	Description
2	Introduction	This section provides the background to the project, as well as the context within which it was conducted. Additionally, it describes the scope and objectives of the project.
3	Research Methodology	This section outlines the approach and methodology adopted for the research project, including how sampling was conducted, a summary of the research that was undertaken, how the research findings were interpreted, and the key limitations experienced.
4	Research Findings	This section presents the overall findings from the primary and secondary research and the key findings on the impact of COVID-19 on organisations within the banking and alternative banking sector as well as on skills development.
5	Recommendations	This section highlights the positive practices and recommendations that BANKSETA may consider going forward.
6	Conclusion	This section provides a conclusion to the findings and the report.

### 2.1 BANKSETA Overview

The BANKSETA is the SETA for the banking and alternative banking industry. It is a statutory body established through the Skills Development Act of 1998 as amended by the Skills Development Act, 26 of 2011, to enable its stakeholders to advance the national and global position of the banking and alternative banking sector. As guided by its mandate, the BANKSETA develops skills within the banking and alternative banking sector by:

- Encouraging employers in its sector to develop an active learning environment in the workplace;
- Providing employees with opportunities to acquire new skills/progress their careers;
- Increasing levels of investment in workplace education and training and;
- Promoting transformation as guided by the NSDS equity targets of 85% Black, 54% female and 4% disabled



Ultimately, this means that the role of BANKSETA is to ensure that work-seekers find employment, retrenched workers re-enter the market and employers find qualified employees in a fair and equitable framework.

## 2.2 Project Background

COVID-19 has been a catalyst in changing existing structures or policies relating to the working conditions of employees within the banking sector. According to Business Tech (2021), the COVID-19 pandemic forced companies to rethink workplace strategies and forced companies to implement innovative policies which allowed employees to work remotely during the pandemic. Additionally, for some companies, such as Nedbank, revised policies were developed that have given employees the right to work from anywhere outside of the office on a permanent basis.

A report by the International Labour Office (“ILO”) (2020), cited that while there have been many resultant positive implications for the banking and alternative banking sector as a result of the COVID-19 pandemic, there are also negative implications, specifically with regard to skills development. According to The World Bank (2021), the skills required to succeed in the 21st century include cognitive skills, socio-emotional skills, technical skills, and digital skills. The implications brought about by COVID-19 to the workplace and skills development need to consider the need for improved digital skills development and communication skills. According to Han Hu, et al. (2021), consumer expectations have heightened as a result of the pandemic. Additionally, there has been a shift in the market towards improved online banking services. This undoubtedly plays an important role as to how BANKSETA prepares the workforce for these changes.

Consequently, BANKSETA has commissioned a research study aimed at understanding the implications of the changes brought about by the COVID-19 pandemic in the banking and alternative banking sectors, specifically with regard to changes to the workplace and skills development.

### 2.2.1 Project Objectives

As per the Terms of Reference (“TOR”), the objectives of this research study were:

- To analyse the implications of COVID-19 on the Banking and Alternative Banking sector and skills development;
- To support the National Skills Development Plan (“NSDP”) goal of “creating a credible mechanism for skills planning”;
- To support the Department of Higher Education and Training (“DHET”) Post School Education and Training (“PSET”) Research Agenda and the DHET Skills Planning Strategy;
- To support the skills planning process for the banking and alternative banking sectors; and
- To strengthen the strategy and efficiency of the BANKSETA.

### 2.2.2 Key Research Questions

The key research questions that were answered by this research included:

- How has COVID-19 affected businesses within the banking and alternative banking sector?
- How have businesses in the banking and alternative banking sector adapted to the changes brought about by COVID-19?
- Are there any challenges business face that are preventing them from adapting to the changes brought about by the COVID-19 pandemic?
- How has COVID-19 impacted skills development within the banking and alternative banking sector?



- How has COVID-19 affected the provision of and access to education and training in the BANKSETA sector?
- How can businesses within the banking and alternative banking sector effectively build and equip their future workforce, and what skills are required to do so?
- What support do businesses within the BANKSETA sector require in order to successfully recover from COVID-19?

### **2.2.3 Scope of Work**

As the TOR prescribed, the scope of work should include understanding and documenting the impact of COVID-19 on the banking and alternative banking sector, as well as understanding the impact of COVID-19 on skills development within the banking and alternative banking sector. This should be achieved by conducting empirical research, using different research data collection tools and techniques. It was anticipated that the following would be included as part of the research methodology:

- Application of research ethical principles throughout the study period
- Conducting of research within a clearly defined study population
- Collecting research data using various research data collection methods
- Analysing data using various methods of data analysis
- Compilation of a comprehensive Research Report on the chosen research topic
- Presenting research findings to the BANKSETA
- Reporting to the BANKSETA Head of Research at times prescribed to do so.

### 3 Research Methodology

The sections below provide an overview the methodology adopted whilst collecting, capturing, and analysing data for this project.

#### 3.1 Conceptual Approach

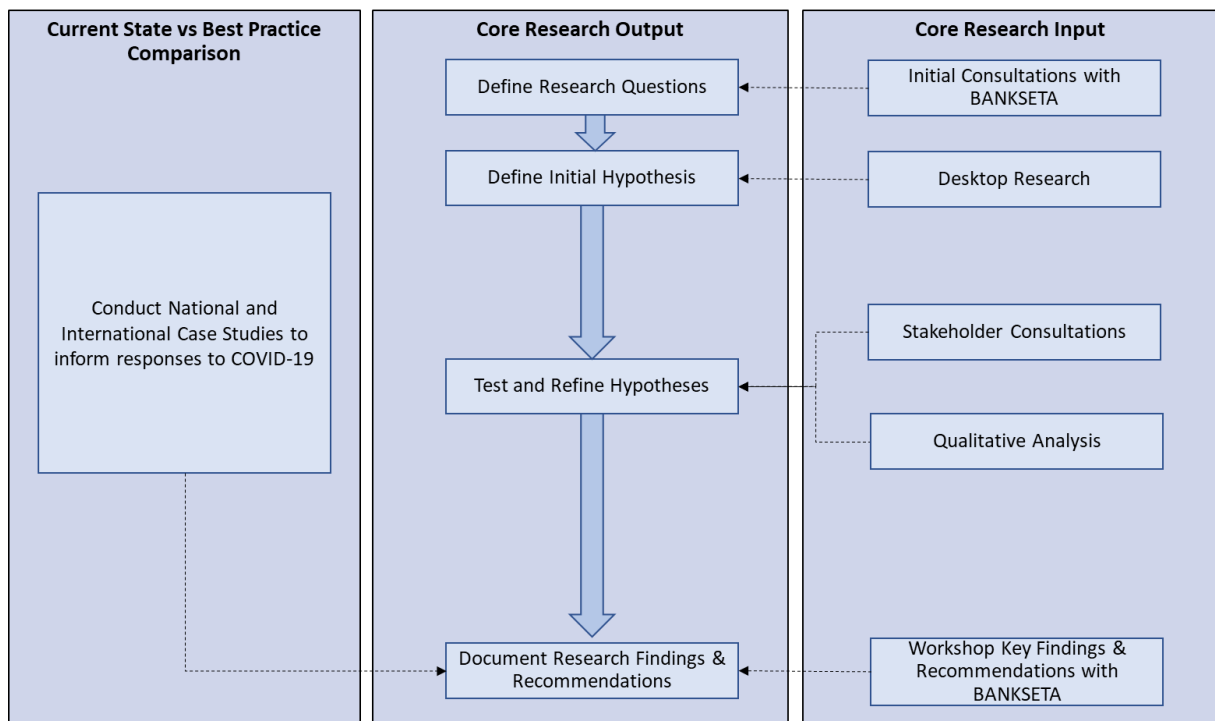
The approach adopted for this project was based on Redflank’s Defined Research methodologies, customised for this engagement. The research approach was premised on establishing fundamental principles for the Research Topic. These principles included:

- Defining the specific research questions to be investigated for the topic;
- Defining initial hypotheses through desktop research. An example might include, “The COVID-19 pandemic accelerated digitalisation within the banking and alternative banking sector”;
- Testing and refining the initial hypotheses through consultations with key decision makers from organisations within the banking and alternative banking sector as well as Skills Development Facilitators (“SDFs”) and Training Providers; and
- Developing recommendations in order to assist BANKSETA to implement the SETA’s research agenda and adapt to the impact of COVID-19 on the banking and alternative sector.

The research approach included both qualitative and quantitative data sources. This was to ensure the development of key findings and recommendations that are sound and can be defended.

The above is summarised by the figure below.

*Figure 3-1: Conceptual Approach*



#### 3.2 Summary of Research Undertaken

The research undertaken for this project included desk-based research and field research. Field research undertaken included focus groups, in-depth interviews and online surveys.





### **3.2.1 Desk-Based Research**

The desk-based research included a review of relevant literature regarding the impact of COVID-19 on the banking and alternative banking sectors, including the impact of COVID-19 on skills development as well as the recovery measures implemented to assist the sub-sectors mitigate the impact of the pandemic. This included a review of documents including, but not limited to:

- BANKSETA Strategic Focus Areas
- BANKSETA SSP 2021 – 2022
- The White Paper for Post-School Education and Training Building
- The DHET Strategic Plan 2020 - 2025
- The Skills Strategy: Support for the South African Economic Reconstruction and Recovery Plan
- The Skills Development Act
- The Financial Sector Outlook Study

A full list of references can be found in Section 7.

### **3.2.2 Fieldwork Undertaken**

The following methods were used to collect primary data for this study:

- Online Surveys
- In-depth Interviews
- Focus Groups

Overall, a total of 136 interviews, focus groups and surveys were conducted. The sub-sections that follow provide more clarity on each data collection tool used during fieldwork.

#### **3.2.2.1 Surveys**

Quantitative data was obtained through online surveys. This method of survey distribution was chosen as it offers several advantages over telephonic surveys, namely lower costs, convenience for respondents, design flexibility, and automation and real time access to results (Gingery, 2011).

Survey links were distributed to the entire database of SDFs and Training Providers via email and bulk SMSes. The surveys were designed based on the need to obtain specific information required by the study. The primary goal of the surveys was to gain insight into the extent to which the COVID-19 had negatively impacted skills development within the banking and alternative banking sector. Questions in the survey were predominantly based on a 5-point Likert scale (with 5 denoting the most positive response and 1 indicating the most negative response). The Likert Scale is discussed further below. Open-ended questions were also included within the survey in order to provide further depth and understanding.

Overall, 102 survey responses were received from SDFs and training providers.

#### **3.2.2.2 Interviews**

The purpose of the in-depth interviews was to generate qualitative data that would lend depth to the quantitative data generated by the surveys. Interview questions were derived from preliminary research, the Project's objectives and through consultations with the BANKSETA Project Team. The key stakeholder groups identified for interviews were key decision makers within identified organisations, SDFs, and training providers.



Overall, a total of 15 in-depth interviews were conducted with decision making stakeholders within identified organisations while 13 interviews were conducted with SDFs and Training Providers.

### **3.2.2.3 Focus Groups**

Virtual focus groups were undertaken to source data and information from relevant stakeholders. The purpose of these focus groups was to gain an understanding of the key areas of interest and enhance the qualitative view of the data. Focus groups took the form of a facilitated session focused on key discussion points that allowed for better participation. Overall, 1 focus group, with a total of 6 participants, was conducted via Microsoft ("MS") Teams. In order to ensure representation, focus group invitations were distributed to SDFs and Training Providers across both the banking and alternative banking sub-sectors.

## **3.3 Sampling Approach**

The main sampling approach adopted for the Project was the Bellwether Methodology, discussed in further detail below. This approach was adopted to select key decisions makers from the sector to conduct in-depth interviews with. Furthermore, simple random sampling was utilised to select the sample of SDFs and Training Providers to be approached for interviews and focus groups.

A breakdown of the specific type of individuals that participated in the study and other respondent demographics are discussed in Section 3.4.

### **3.3.1 The Bellwether Methodology**

In order to ensure that the input gathered from stakeholders was relevant to the aims and objectives of the Project, a Bellwether Methodology was adopted. The Bellwether Methodology, developed by the Harvard Family Research Project, involves a process whereby data collectors conduct structured interviews with Bellwethers (Coffman & Reed, 2010). Bellwethers can be defined as influential individuals within a specific sector, whose positions require that they are aware of a broad range of policy issues (Coffman & Reed, 2010). In essence, Bellwethers are those individuals who are considered to be knowledgeable and innovative thought leaders whose opinions carry substantial weight and predictive value with regard to policy development within a specific sector (CIPPEC, 2017). As such, conducting structured interviews with Bellwethers can serve to be a useful method to forecast the likelihood of future policy proposals or changes within a particular sector (Cook & Mumford, 2011). Within the context of this project, this methodology proved to be the most effective, given that BANKSETA sought to understand what policy implications COVID-19 may have on the broader banking and alternative banking sector. This, therefore, required consulting with specific, high-ranking individuals within identified organisations.

#### **3.3.1.1 Adopting the Bellwether Methodology**

As discussed above, the Bellwether Methodology is focused on gathering input from influential individuals within a specific sector. As such, the approach followed when determining a suitable sample for this study was underpinned by the principles of the Bellwether Methodology. This was done to ensure that the sample chosen for the study provided accurate and reliable insight regarding the impact of COVID-19 and its implications for the banking and alternative banking sector. In line with the Bellwether methodology, specific organisations and individuals were selected to participate in the research, based on their size and influence within their respective sub-sectors. Broadly speaking, the following steps were followed in order to determine a suitable sample of stakeholders to be consulted with:

1. The first step in the data collection process involved selecting the types of categories of Bellwethers to interview. In the context of this study, categories of Bellwethers included key



decision-makers representing specific organisations within the banking and alternative banking sector. The main focus at this stage was ensuring that relevant organisations were selected, so as to ensure that the input received was accurate and reliable. Overall, a total of 20 relevant organisations were identified in order to participate in the study, across both the banking and alternative banking sectors.

2. The second step involved the selection of the Bellwether sample, which involved identifying specific criteria for the selection of individual Bellwethers. In the context of this study, the main selection criteria was whether the individual to be consulted was a key decision maker within their specific organisation (for example, the Head of Strategy, Head of Risk Management, Head of Operations etc).
3. The third step involved arranging and conducting interviews with the selected Bellwethers. Interview questions were designed in a manner that ensured that relevant input was gathered from Bellwethers to help determine the most pressing issues within the banking and alternative banking sector post COVID-19. Overall, a total of 15 interviews were conducted across seven major banks, with input being received from a wide range of influential stakeholders, occupying various key positions.
4. The final step involved analysing the data gathered. In the context of this study, a thematic analysis approach was adopted to analyse the qualitative data gathered from Bellwethers. This is further explored in Section 3.5.1.

### **3.4 Respondent Demographics**

#### **3.4.1 Organisations**

A total of 15 influential individuals from 7 major organisations within the banking and alternative banking sector participated in the study. In order to protect the anonymity of participants of the study, specific organisations will not be named. However, in general terms, individuals occupying the following positions provided input which informed the key findings stemming from this study:

- Executive: Client Conduct
- Executive: Human Resources
- Head of Occupational Health and Safety
- Head of Investor Relations
- Chief Executive Officer
- Head of Human Resources
- Head of Risk and Innovation
- Strategy and Regulatory Specialist
- Senior Skills Development Facilitator
- Head of Learning and Wellbeing
- Director of Capacity Building
- Head of Operations

As can be seen, the individuals who participated in the study occupied influential positions, and were key decision makers within their organisations, which gave them unique insight into the impact of COVID-19 on organisations within the banking and alternative banking sector. This ensured that the input gathered was relevant and insightful, and allowed Redflank to formulate meaningful



recommendations regarding how BANKSETA can respond to the impact of COVID-19 from a strategic and policy perspective. (BANKSETA, Sector Skills Plan, 2022)

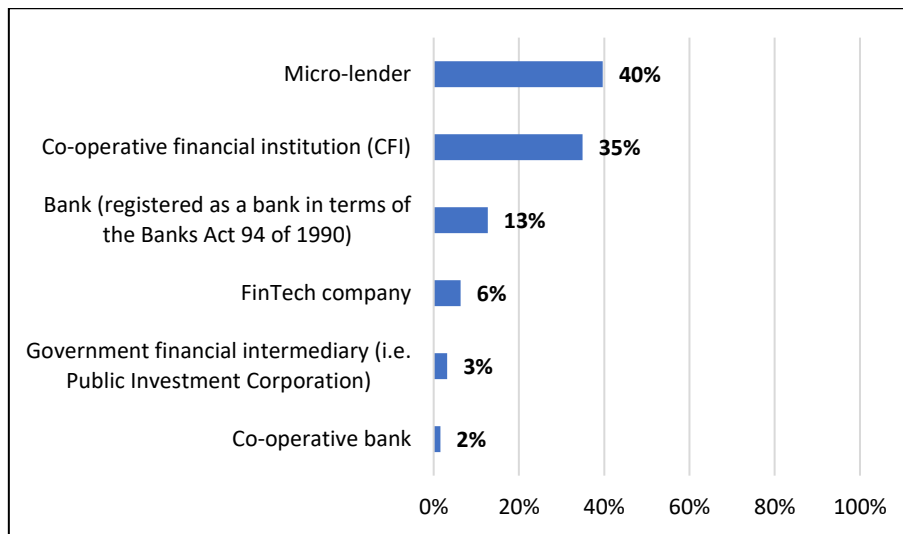
**3.4.2 SDFs and Training Providers**

As part of this study, survey respondents<sup>1</sup> were requested to indicate the type of organisation they represented, the provincial location of the organisation they represented, as well as the size of the organisation they represented.

**3.4.2.1 Organisation Type**

Respondents were requested to indicate the type of organisation that they represented. The results are illustrated in the figure below.

*Figure 3-2: Type of Organisation*



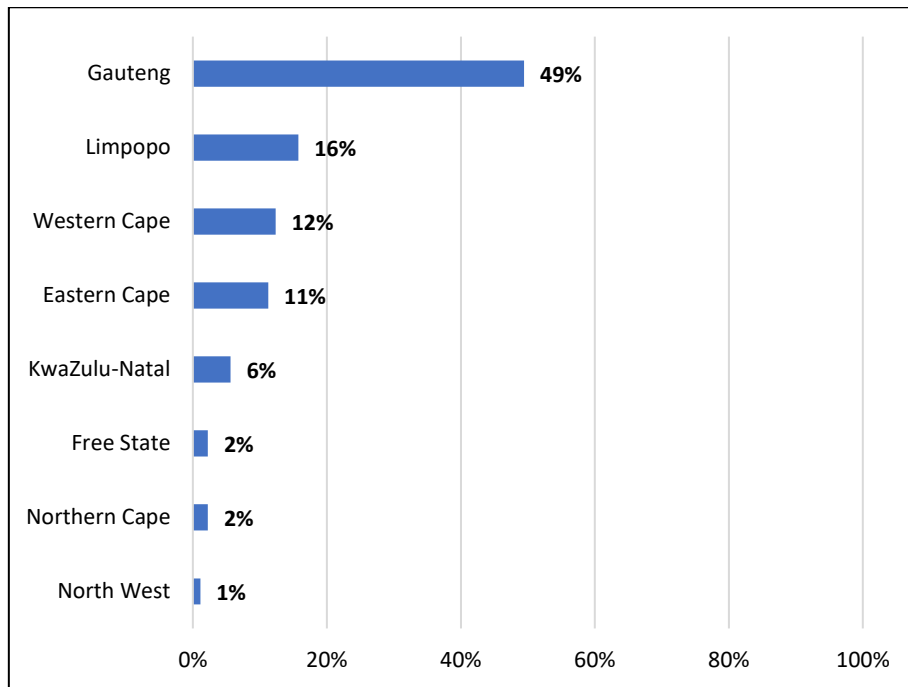
*Note: Percentages in the above graph may add up to more than 100% due to rounding off*

The study found that the majority of respondents that participated in the survey were either micro-lenders (40%) or co-operative financial institutions (35%). This was followed by 13% of respondents who indicated that they represented banks and 6% of respondents who represented fintech companies. The remaining 7% of respondents represented government financial intermediaries (3%) and co-operative banks (2%).

**3.4.2.2 Provincial Location**

The figure below provides an overview of the provinces in which the survey respondents are located.

<sup>1</sup> For the purposes of this study, survey respondents refer to the SDFs and Training Providers that participated in the survey.

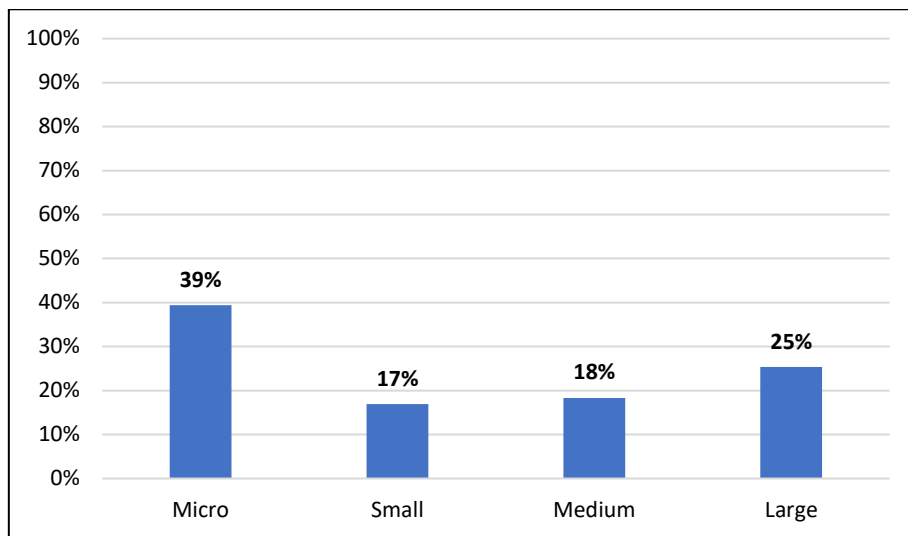
**Figure 3-3: Geographical Representation**

*Note: Percentages in the above graph may not add up to 100% due to rounding off*

As can be seen above, 49% of the respondents surveyed indicated that they were located in Gauteng. This was followed by 16%, 12% and 11% of respondents who indicated that they were located in Limpopo, the Western Cape and the Eastern Cape, respectively. Furthermore, it was found that 10% of the respondents were either from KwaZulu-Natal (6%), the Free State (2%) or the Northern Cape (2%). Only 1% of respondents were located in the North West, while none of the respondents were located in Mpumalanga.

#### **3.4.2.3 Size of Organisation**

The sizes of the organisations that participated in the survey were based on the number of employees within each organisation. The organisation sizes represented in the below graph include micro businesses (less than 10 employees); small enterprises (11 to 50 employees); medium-sized enterprises (51 to 250 employees) and large enterprises (more than 250 employees).

**Figure 3-4: Size of Organisation**

*Note: Percentages in the above graph may not add up to 100% due to rounding off*

The figure above indicates that the highest number of responses (39%) were received from micro enterprises, while the second highest number of responses (25%) were received from large enterprises. Additionally, 18% of the organisations that took part in the survey were medium-sized enterprises, while 17% of the organisations were small enterprises.

### 3.5 Data Analysis Procedure

This section provides a detailed breakdown of how the data collected was analysed and how it has been presented in this report.

#### 3.5.1 Qualitative Data

As discussed, qualitative input was obtained through interviews with Bellwethers. In order to analyse the qualitative data received, a thematic analysis was conducted. Thematic analysis is a commonly used method of qualitative data analysis and entails reviewing a qualitative data set in order to identify, analyse and report on repeated patterns within said data set. This, in turn, allows for the formulation of relevant and insightful research findings (Kiger & Vapiro, 2020). The primary goal of thematic analysis is, therefore, to use the identified themes or patterns to address a specific research question. It is important to note that thematic analysis is more than simply summarising a qualitative data set, but rather, involves interpreting and analysing the data in a meaningful manner (Maguire & Delahunt, 2017). The following step by step approach outlines the manner in which a thematic analysis may be conducted (Kiger & Vapiro, 2020):

1. The first step in thematic analysis typically involves developing a deep understanding of the data. This process involves the reading and re-reading of interview transcripts and formulating initial impressions from the entire body of data. In the context of this study, interview transcripts with relevant organisations were reviewed, and initial impressions were noted. For example, one of the initial impressions noted was that organisations within the banking sector were placing emphasis on ensuring employee wellbeing and mental health post COVID-19, given the strain that the pandemic had on many employees who had to adjust to a new way of working.
2. The second step involves generating initial 'codes', which relates to organising the data in a meaningful and systematic manner. In essence, coding reduces large chunks of data into smaller chunks of meaning. This often involves refining the initial impressions noted in step one, but also involves separating the data into distinct segments. A code should, therefore, be



sufficiently well-defined and demarcated such that it does not overlap with other codes. Once initial codes are identified and formulated, data extracts from the entire data set are labelled with specific codes. Once the entire data set has been coded, the data is collated by code.

3. The third step involves the examination of the coded data extracts in an attempt to identify and formulate themes of broader significance. These themes are constructed by the researcher through analysing, combining, comparing and mapping how codes relate to each other.
4. The fourth step involves the reviewing and refining of the themes identified and formulated in step three above. A key element of this step is the revisiting of the coded data and ensuring that there is agreement between the coded data extracts and the themes. This may involve considering whether there is sufficient data supporting a specific theme or whether a specific theme is too broad and lacks specificity. These considerations may result in the refinement and modification of themes to better capture the sentiments emerging from the data set.
5. The fifth step involves producing a narrative description of each theme, including a description of why the specific theme is important to the broader study. This often results in the identification of sub-themes within broader themes, which can also be explored in the narrative. Ultimately, comprehensive themes are used to inform the drafting of a detailed research report.

### 3.5.2 Quantitative Data

Quantitative results were obtained through electronic surveys conducted with SDFs and Training Providers. The survey questions were either based on a 5-point Likert scale or respondents were given a list of options to select from.

The majority of the graphs presented throughout this report measure the percentage of respondents who selected a specific option/s over the total number of respondents for that question. The figure below presents an example of how the survey results were analysed:

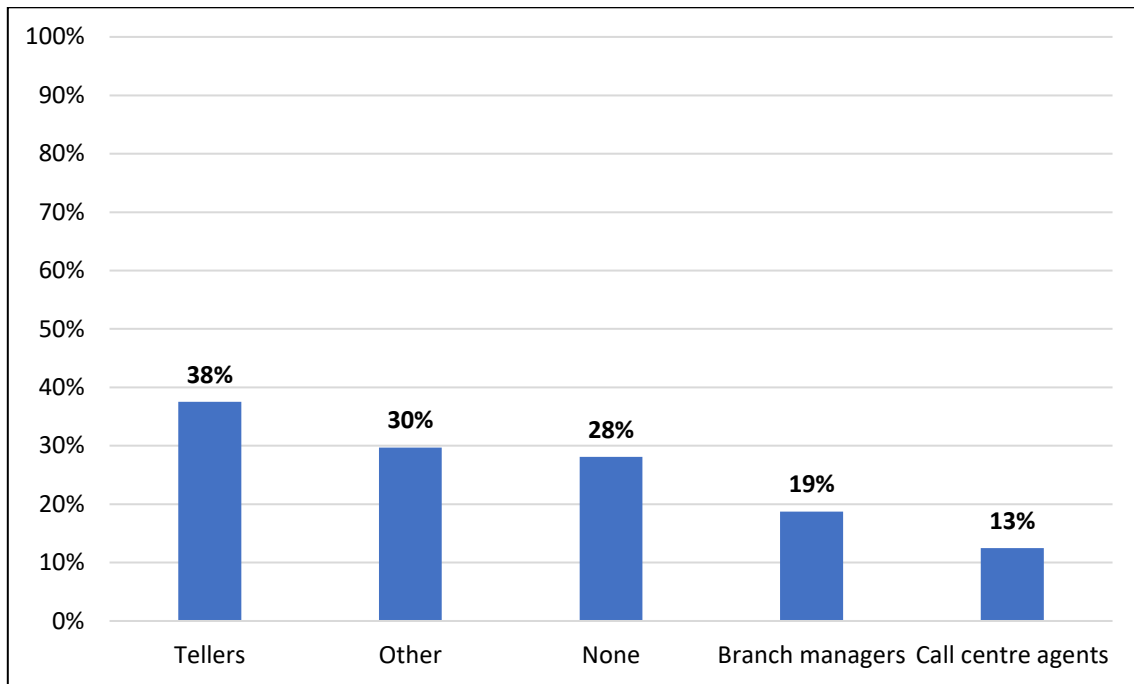
*Figure 3-5: Illustrative Sample Survey Results*

Which of the following occupations have become redundant as a result of the COVID-19 pandemic?	
Tellers	38%
Other	30%
None	28%
Branch Managers	19%
Call Centre	13%

These results were then presented graphically, as follows:



Figure 3-6: Illustrative Sample Graph 1



Where “Other” was provided as an option to respondents, respondents who selected this option were requested to provide further detail. Specific to the example above, some of the comments noted by respondents who selected “other” as an option were as follows:

“Not redundant, but limited and downscaled.”  
 (SDF Survey, 2022)

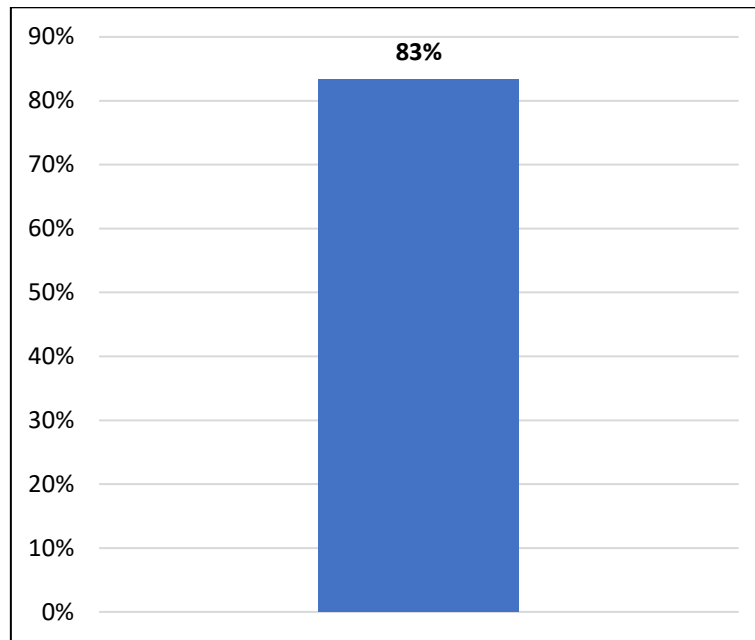
In instances where respondents were requested to indicate the extent to which they, for example, agreed with a statement, a Likert scale ranging from “Strongly disagree” to “Strongly agree” was applied, for instance, the extent to which stakeholders believed that training providers were adequately capacitated to provide training on emerging skills.

Figure 3-7: Illustrative Sample Survey Results 2

To what extent do you agree that you are adequately capacitated to provide training on the new skills emerging as a result of the COVID-19 pandemic?		
	SDFs	Training Providers
Strongly Disagree	4,00%	0,00%
Disagree	6,00%	23,08%
Neither Agree nor Disagree	30,00%	0,00%
Agree	46,00%	38,46%
Strongly Agree	14,00%	38,46%

Results were presented as the sum of positive responses (i.e., the sum of ‘Agree’, and ‘Strongly Agree’). The figure below provides an illustrative example of how results were presented.



**Figure 3-8: Illustrative Sample Graph 2**

### 3.6 Research Limitations

A number of limitations were experienced during the data collection phase of the project. These included:

- Difficulty in sourcing secondary information for the literature review on the impact of COVID-19 on the banking and alternative banking sub-sectors due to a lack of research studies conducted and published at the time of drafting the literature review. In order to overcome this challenge primary research was conducted in an attempt to fill these gaps.
- Difficulty in conducting consultations with businesses due to a lack of contact details. In order to overcome this challenge, SDFs representing specific, relevant organisations within the banking and alternative banking sector were contacted to source the contact details of relevant individuals within these organisations. In instances whereby SDFs could not be contacted, due to incorrect contact details or other reasons, calls were made to the head offices of relevant organisations in an attempt to source contact details.
- Challenges related to scheduling interviews with relevant individuals within identified organisations, once contact details were sourced. This was primarily due to the lack of availability of relevant individuals. In order to overcome this, multiple attempts were made, via telephone and email, to secure interviews with relevant individuals. In addition to making multiple telephonic and email attempts, interview questionnaires were distributed to these individuals and input was requested.
- Challenges with incorrect or non-operational email addresses in the contact databases provided, which compromised the number of responses received for the surveys that were distributed to SDFs and Training Providers.



## 4 Research Findings

The sections below outline the research findings of the study, including the impact of COVID-19 on the banking and alternative banking sectors as well as on the skills landscape within the sectors.

### 4.1 Impact of COVID-19 on Banking and Alternative Banking Sector

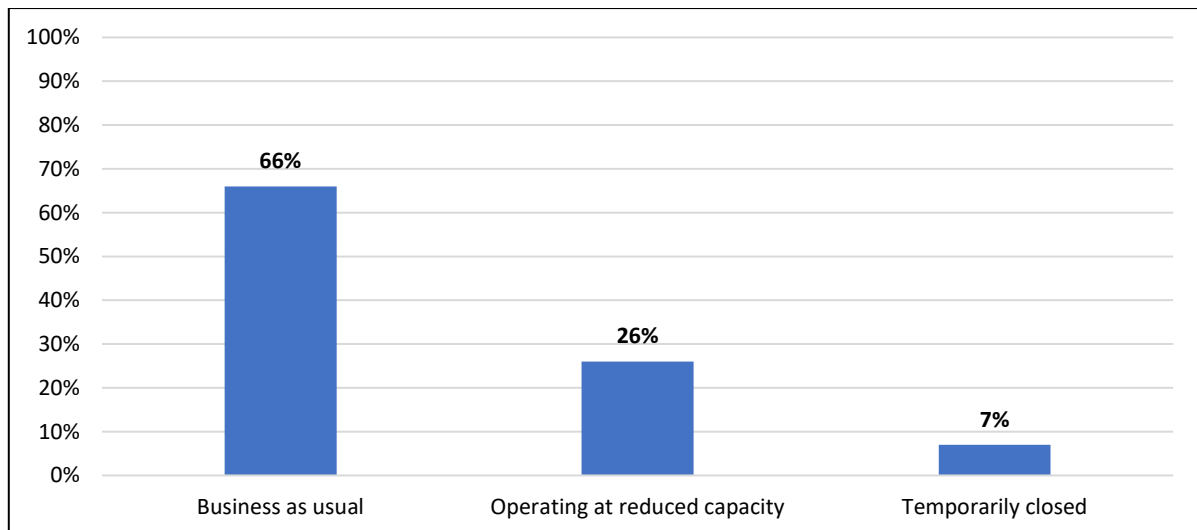
The banking and alternative banking sector was severely impacted by COVID-19 (Jones, 2021). One of the main impacts was the accelerated adoption of alternative processes and ways of working, e.g. the accelerated introduction or enhancement of online banking tools. The accelerated adoption was necessitated by organisational aspirations to adapt to the pandemic and continue to be operational. Stakeholders were of the view that a fundamental aspect in effectively adapting to the pandemic was the ability of organisations to be agile in their decision making and in the implementation of adjustments to organisational strategies. The extent to which the organisations were able to adapt largely depended on how strategy, technology and operations worked together across various domains.

"[The pandemic] required the organisation to operate in a more agile manner, as well as, with a greater level of distributed decision making. It empowered a broader leadership cohort to make decisions and implement changes in real time."

*(Bank and Alternative Bank Interview, 2022)*

In order to gain an understanding of the impact of the pandemic on organisations within the banking and alternative banking sectors, and the extent to which these organisations were able to adapt, respondents were requested to provide an indication of what their organisation’s current operating status was, at the time of completing the survey. These results are illustrated in the figure below.

**Figure 4-1: Organisations' Operating Status**



As can be seen, 66% of respondents indicated that it was “business as usual” for their organisations. This highlights the resilience of organisations within the banking and alternative banking sector and their ability to effectively respond to difficulty.

As mentioned above, in order to be able to continue operating effectively, organisations had to operate in a more agile manner and adjust their operating models, as well as their approach to work. This section outlines the impact of the pandemic on the operating models of institutions within the banking and alternative banking sectors, and the measures adopted by the organisations in an attempt



to adapt, including organisations' adoption of remote working. The section also outlines the impact on of the pandemic on client needs as well as the risks encountered and benefits experienced as a result of the pandemic.

#### 4.1.1 Impact of COVID-19 on Organisations' Operating Models

The impact of COVID-19 was largely felt through the operating models of banks, according to the Financial Sector Conduct Authority ("FSCA") (2022).

As mentioned above, one of the main impacts of the pandemic was the acceleration of certain processes. Included in this was the accelerated adoption of digitisation experienced amongst organisations in the banking and alternative banking sector. The banking and alternative banking sector has in recent years seen the introduction of new digital banking systems as demonstrated through Bank Zero, Discovery Bank and Tyme Bank. These businesses sought to build the next generation of banks without employing people to work in branches like the traditional banking model (PwC, 2018). Such institutions were, thus, already well-suited for the pandemic, as a result of their already digital approach. This was supported by certain stakeholders during in-depth interviews, with stakeholders noting that their organisation being fully digital assisted them embed digital banking into their operations.

"From our perspective it has changed the way we view banking. We were quite suited because we are fully digital. Shared value banking and digital worked well. Helped us embed model of digital banking in the industry at the time."

*(Bank and Alternative Bank Interview, 2022)*

While some institutions were already digitally inclined prior to the onset of the pandemic, others had to make the transition to digital banking when the pandemic began. It was noted that the main impact of the pandemic on operating models in the banking sector was the accelerated adoption of digital technology and digital financial services amongst customers, and the reduction of the physical footprint (FSCA, 2022). This was highlighted through qualitative consultations, with stakeholders indicating that while their organisations had always had the intention to make the transition to digitisation, COVID-19 had drastically accelerated this.

"...it has accelerated our digital journey. So what we had intended to do in the next two, three years was accelerated to be done kind of like in two, three weeks."

*(Bank and Alternative Bank Interview, 2022)*

Internally, the accelerated digitisation meant that organisations had to reconsider various elements critical to their operations, including whether they could adopt hybrid or remote working models and what would be required to do so, in order to ensure that their organisations were able to remain operational through the pandemic.

"In a way, it helped organisations fast forward to working in a digital space and consider what that meant [sic], [such as] having hybrid working models, [and] what needs to be put in place etc. If we had [sic] not thought [sic] about these things, organisations would not have been effective or relevant post COVID."

*(Bank and Alternative Bank Interview, 2022)*



Similarly, from an external point of view, organisations had to ensure that their adjusted working models were accommodative of client needs so as not to negatively impact their clients when the clients attempted to access their funds or any services from the banks.

"We needed to ensure that our clients were not impacted negatively in accessing money or accessing any of our services. So we put in a lot of work around how do we ensure that we transition our clients to going digital, even those clients we had thought may not want to go digital, because they were left with very limited choices."

*(Bank and Alternative Bank Interview, 2022)*

The accelerated adoption of digital banking included the introduction of mobile banking applications and improved digital payment options such as cell phone banking, as well as the enhancement of Auto Teller Machines ("ATMs") to allow customers to perform a wider range of transactions. The adoption of digital banking was considered to be a positive consequence of the pandemic as consumers were able to access banking products and services from digital platforms, thus enhancing the efficiency of financial service provisioning (FSCA, 2022). The pandemic, therefore, changed the manner in which customers engaged with banks, with the preference shifting towards digital banking (BusinessTech, 2021). The percentage of customers who banked through banking branches in particular, declined from 27% in 2019 to 16% in 2021, nationally (FSCA, 2022). A number of branches were also shut by local banks as a result of the pandemic, including Absa, which had shut 13 branches and kiosks by October of 2021 (Mail&Guardian, 2021).

In response to the reduction in physical branches and the enhanced preference for digital banking, organisations in the banking and alternative banking sectors were required to adjust their products and services to make these offers more digital, thus enabling new ways for customers to engage and transact. Some of the innovations adopted included the use of virtual platforms, including banking mobile applications and chatbots, for clients to interact with the banks.

"... we accelerated how our clients engage with us by ensuring that they just didn't have to rely on walking into a branch, but they could use their app."

*(Bank and Alternative Bank Interview, 2022)*

"...they could interact with us by using chatbots."

*(Bank and Alternative Bank Interview, 2022)*

"Our call centre bankers remained available to clients throughout COVID-19 on a 24/7 basis, and the introduction of [online chat software name redacted] helped us meet client needs."

*(Bank and Alternative Bank Interview, 2022)*

Furthermore, in adapting their approach, some processes were accelerated by organisations, this included the onboarding of new clients and opening of new accounts.

"...we changed and accelerated, obviously using digital platforms, our onboarding processes for our clients. We accelerated the opening of new accounts..."

*(Bank and Alternative Bank Interview, 2022)*

Parallel to businesses having to adjust their operating models, it was necessary for customers to also adjust and familiarise themselves with a new approach to banking. This required organisations to



adapt their approach to interacting with the clients, as part of their efforts to help the clients acclimatise to a new digital environment.

"It was whether the customers across different segments and different age groups were ready for that adoption, and how to make sure that they equip themselves from access to understanding that it was safe, to what they needed to understand in order to bank on USSD and the [name redacted] app etc."

*(Bank and Alternative Bank Interview, 2022)*

Further to the above, organisations introduced the use of virtual 'plastic,' which can be understood to be digital copies of real bank cards that allow consumers to easily engage in e-commerce and the purchasing of goods and services online. These virtual plastic bank cards typically feature different account numbers and expiration dates. Furthermore, these cards can be used online or by cellular phone to help protect consumers' account details (MoneyWeb, 2021). In essence, when consumers download a virtual credit card, they gain access to a temporary credit card number that gives consumers access to virtual credit, which means that consumers' do not have to input their actual card numbers when transacting online.

Certain South African banks, such as Absa, have introduced these virtual plastic cards for consumers in order to enhance their experience when transacting through digital mediums. In late 2020, Absa unveiled that it would be adopting a phased approach to deliver a fully integrated virtual card offering that will allow customers to access mobile payment options (Absa Bank, 2020). The adoption of new methods of operating and the introduction of new products or services as a result of the pandemic was highlighted in stakeholder consultations, with stakeholders indicating that the transition to virtual cards had been accelerated.

"Also accelerated the move to digital banking and the use of virtual cards as an alternative to cash."

*(Bank and Alternative Bank Interview, 2022)*

While some organisations were able to implement measures that enabled their organisation to effectively adapt to the COVID-19 pandemic, the study found that other organisations were ill-prepared and thus faced challenges, particularly with regard to the adoption of technology. Stakeholders indicated that organisations such as Cooperative Banking Institutions ("CBI"), whose operations were primarily manual, were largely affected as their clients were unable to access funds during the level 5 lockdown restrictions due to the lack of debit cards or ATMs.

"...the Cooperative Banking Institutions (CBIs) were not prepared at all, for starters, their operations are mainly manual, meaning members (customers) could not access their funds during level 5 lockdown restrictions."

*(Bank and Alternative Bank Interview, 2022)*

With regard to additional challenges faced by co-operative banking organisations, it was noted that COVID-19 had an impact on the savings capabilities of members and that a decrease of 7% in membership was felt.

"COVID-19 reduced the savings capabilities of members, due to deaths and loss of income from company closures and lay-offs. The 2021/22 sector status shows a 7% decrease in membership...."

*(Bank and Alternative Bank Interview, 2022)*



It was further noted that for CBIs in remote areas, network connectivity was also a challenge which hampered the ability of CBIs to keep in touch with and provide services to their members.

"For far flung CBIs networks connectivity proved to be a problem as attending to meetings, training sessions, and just keeping in touch with members proved to be a difficulty."

*(Bank and Alternative Bank Interview, 2022)*

#### **Key Finding**

- One of the key operational changes organisations in the banking and alternative banking sector had to make as a result of the COVID-19 pandemic was the accelerated adoption of digital banking services. This entailed the adoption of digital platforms, including mobile banking applications, chatbots and banking websites, to enhance communication between organisations and their clients, as well as allow clients the use of these digital platforms to conduct transactions.
- Some stakeholders noted that CBIs were largely affected by the pandemic as their clients were unable to access funds during the level 5 lockdown restrictions, as a result of their manual operations. It was further noted that COVID-19 had a negative impact on the savings capabilities of CBI members, due to the loss of income experienced by CBI members during the pandemic. The lack of connectivity also posed a challenge to CBI networks, which resulted in the inability of CBI members to attend meetings and training sessions.
- It was noted that organisations that were already digitally inclined at the onset of the pandemic were able to adapt more easily to the impact of the pandemic and make the transition to digitisation in a shorter timeframe.

#### **4.1.1.1 Remote Working**

One of the key factors contributing to the need for organisations to enhance their digitisation was the transition to remote working, brought on by the National Lockdown imposed in response to the pandemic (Michael Page, 2022). Globally and locally, many banks have adopted remote approaches to working (Oertli, 2020). Consulted stakeholders were of the same view, noting that the transition to remote working represented the biggest change to their operating models.

"...the biggest change almost immediately was that as far as possible people moved to working from home."

*(Bank and Alternative Bank Interview, 2022)*

Not all employees within organisations made the transition to working remotely, however. It was noted that while some employees were able to make this transition, those which constituted essential service staff were required to remain on-site.

"Only essential services were in the office."

*(Bank and Alternative Bank Interview, 2022)*

"We had a very, very limited number of people who remained on site and that was mainly where their jobs required them to physically be on sites, we still have security guards etc."

*(Bank and Alternative Bank Interview, 2022)*



Stakeholders highlighted that the need to transition to remote working meant that their organisations had to adapt and transform their operating models to ensure that they were able to continue to effectively serve clients.

"The biggest changes to operations were having staff working remotely and moving a lot of the day to day processes online, lessening direct contact as far as possible, while still helping our clients."

*(Bank and Alternative Bank Interview, 2022)*

"Banks had to completely transform their operating model in terms of working from home but still being able to service their clients."

*(Bank and Alternative Bank Interview, 2022)*

While the transition to remote working may have been accelerated by the onset of the pandemic, it is important to note that some organisations had already begun considering the transition prior to the pandemic. According to one institution, office optimisation strategies, entailing the identification of staff not required to work from the office, were already being considered by management, but were yet to be implemented. The pandemic, thus, only served to accelerate this process.

"At the end of 2019 as [name redacted] we had started to talk about what we call office optimisation where we were looking at having a 70-30 split around individuals who would be in the office at any given time, versus individuals who would then work from home or other campuses. We had started that journey but it was still just talk, now with COVID coming in, our corporate real estate strategy was accelerated big time. In a very short timeframe, within six months, we had a very new look and feel strategy on how we run our business."

*(Bank and Alternative Bank Interview, 2022)*

Regardless of the factors that led to the transition to remote working, organisations within the banking sector were, ultimately, able to adapt to the pandemic and continue their operations due to the investments these organisations made towards ICT infrastructure and remote working technology (BANKSETA, 2022). These views were echoed during stakeholder consultations. Stakeholders indicated that, as a result of the more intensive operational requirements of some departments, there was a need to invest in additional technology, including uninterruptible power supply ("UPS") units. Furthermore, it was noted that access to stable internet connection was required.

"Call centre resource requirements were more intensive, we needed UPSs [and] access to sufficient data for stable internet connection."

*(Bank and Alternative Bank Interview, 2022)*

This technology, including laptops, were sourced and provided to those employees operating remotely, to ensure that they were able to work efficiently.

"...we provided additional technology, resources, connectivity, etc, to many of those people [working from home]."

*(Bank and Alternative Bank Interview, 2022)*



"[We] issued staff who had desktops with laptops."

*(Bank and Alternative Bank Interview, 2022)*

It was noted from desk-based research that medium sized banks that could not manage the cost efficiencies and IT investments that were crucial in the new environment were impacted the most by the pandemic. It has been suggested that consolidation could be an escape route for these banks. Consolidation involves the process of combining one or more business units into a larger organisation (GoCardless, 2020). Doing this would allow banks to continue to provide services to existing and new bank customers through alternative banking branches when others are shut down.

In addition to investments in ICT infrastructure, virtual communication tools were either introduced, or their adoption accelerated, to facilitate communication between colleagues from different locations. These included platforms such as Microsoft ("MS") Teams, Zoom, as well as Cisco Jabber, as well as 'Live-Assist', which allowed them to assist customers and provide step-by-step guidance through the use of features such as screen sharing.

"[We] introduced virtual platforms such as Teams and Zoom for interaction. [We also] looked at storage on Cloud."

*(Bank and Alternative Bank Interview, 2022)*

"I thought [as an] organisation, we were already using [technology], but Cisco Jabber and Microsoft Teams - the uptake of those [sic] increased massively and was continuously improved."

*(Bank and Alternative Bank Interview, 2022)*

"During the pandemic, we innovated to make remote servicing more effective and introduced "Live-Assist" which allows customers to share their app screen with a Banker to get live, step-by-step guidance, similar to being in-person."

*(Bank and Alternative Bank Interview, 2022)*

The introduction of this infrastructure and tools as part of the transition to remote working presented various benefits to organisations, particularly those within the banking sub-sector. Input from stakeholders within the banking sub-sector indicated that the introduction of remote and hybrid working models improved flexibility in the operations of the organisations; as well as productivity, morale and the overall wellbeing of employees.

"Changes in ways of working have allowed for broader flexibility for colleagues accompanied with OKR/Agile ways of delivering. We introduced hybrid working models across the business, with the exception of regulatory defined businesses that could not operate remotely. Productivity improved, colleague morale improved, wellness and wellbeing improved."

*(Bank and Alternative Bank Interview, 2022)*

Other stakeholders found that the use of online platforms, adopted due to remote working arrangements, resulted in organisations being able to reach wider audiences as a result of information being shared in a variety of ways within organisations and to clients.





"Information can be shared and absorbed in different ways, broadens the options in terms of online opportunities, reach is much greater.

*(Bank and Alternative Bank Interview, 2022)*

For some institutions however, the transition to remote working was only temporary. Consulted stakeholders were of the view that this transition was not sustainable in the long term, indicating that the banking and alternative banking sector was not prepared for a permanent transition to remote working.

"Whilst we have now defaulted into remote ways of work, the organisation and industry are not yet ready to transition to this mode fully – and so for now whilst we find the balance between face to face and virtual, the resourcing implications will start to reveal itself – critical in this balance is the actual effectiveness of learning solutions."

*(Bank and Alternative Bank Interview, 2022)*

Various factors were cited as having contributed to the sectors not being able to make a permanent transition to remote working. One of these factors included the sector's clientele, with stakeholders noting that some clients still prefer an in-branch approach, as opposed to digital. It was noted that this may be due to the South African consumer profile, including the lack of access to, and required skills, to bank digitally. As a result, it was deemed as essential that these customers continue to be serviced in-branch.

"...we will never get rid of branches. Because we are South Africa, we have the kind of people that we need to have being serviced in a branch in some way or the other. In Sandton you still get people that do not want to just do digital, they also want to be able to walk in for different reasons."

*(Bank and Alternative Bank Interview, 2022)*

"...based on the profile of our country where we unfortunately have quite a large number of individuals that don't have the level of skills or education to enable them to either have access to digital platforms or be able to use them from a literary perspective, branches will always exist, as long as the profile of the South African citizen is the way it is."

*(Bank and Alternative Bank Interview, 2022)*

Despite organisations not being able to make the transition to permanent remote working arrangements, it was noted that the physical footprint of employees within some branches of these organisations had declined. According to stakeholders, the decrease in the footprint was as a result of a staff restructuring process undertaken internally by respective institutions. This restructuring included re-assigning staff to branches where the customer footprint had increased, while redesigning other branches to be more digitally inclined, resulting in only essential staff being required in these branches.

"The number of staff that used to work there is less as the staff will move to other branches where you need more footprint and you need more people that work there."

*(Bank and Alternative Bank Interview, 2022)*



"If you live in Johannesburg, if you go to our [name redacted] branch, it has just been reopened a week ago and looks totally different from how it looked. They have gotten rid of, I would say, about 60% of the space that they used to utilise. There is a whole lot of self-banking, all day you have staff who actually onboard clients that walk in to do self-service, they are shown how to do it. They have the assistance in uploading the app onto their phone. They are shown how to just do simple tasks."

*(Bank and Alternative Bank Interview, 2022)*

#### **Positive Practice**

- As a result of the national lockdown imposed in response to the pandemic, organisations within the banking and alternative banking sub-sectors were required to transition to working remotely, with only essential service staff remaining onsite. This transition had several implications on the capability of employees to provide effective service delivery. Various resources were required to enable the employees to effectively deliver, including technological infrastructure such as laptops and UPSs. Where organisations were able to supply these to their employees, it was found that service delivery levels were maintained.
- It was noted that, during the pandemic, organisations introduced and/or adopted virtual engagement platforms, including MS Teams, Zoom, Cisco Jabber and "Live Assist" software in order to be able to maintain consistent engagement and provide assistance to their clients from remote locations.
- Stakeholders within the banking sub-sector noted that the introduction of remote and hybrid working models improved flexibility in the operations of the organisations; as well as productivity, morale and the overall wellbeing of employees.
- In addition, stakeholders found that the use of online platforms has improved the sharing of information between clients and organisations and allowed organisations to reach wider audiences.

#### **Key Findings**

Due to the current profile of the South African market, it was noted that banks and alternative banks would most likely be unable to operate remotely on a permanent basis. This is as a result of a lack of required skills for digital banking for some clients within the market, including digital skills, thus requiring these clients to be serviced in person.

##### **4.1.1.1.1 Skills Implications of Remote Working**

It is believed that as a result of the adoption of remote models of working, employees within the banking and alternative banking sector needed to be equipped with adequate skills related to this new remote landscape (BANKSETA, 2022). If staff were not properly trained to adjust to remote working, the staff would subsequently not have the relevant skills to adapt to remote working, which would likely lead to a skills gap (Smith, 2022). The skills required as a result of the transition to remote working include skills such as digital literacy, strong oral and communication skills, adaptability, time management, technical skills in ICT and customer service skills (BANKSETA, 2022). Stakeholders cited similar skills shortages, indicating that these sometimes made it difficult for virtual interactions to be conducted.



"It is everything, both behavioural skills like communication..., but it is also quite a lot of technical skills."

*(Bank and Alternative Bank Interview, 2022)*

"ICT related skills became quite obvious for the sector, as board members were struggling using the MS Teams to connect to virtual training programmes."

*(Bank and Alternative Bank Interview, 2022)*

A further review of the literature revealed that the most significant skills gap within the banking sector is digital skills. Given the fact that the COVID-19 pandemic forced organisations within the banking industry to transition to remote working, the need for digital skills became significantly more important, especially when considering the reliance of remote working on digital tools such as virtual meeting and online chat tools (Hovsepian, 2020). Organisations consulted were of the view that, as a whole, an innovative approach to banking and servicing clients was required, which would be underpinned by digital skills.

"COVID-19 accelerated the need for digital skills across multiple applications. The pandemic increased the need for innovation in product offerings underpinned by digital design, systems thinking and user experience. "

*(Bank and Alternative Bank Interview, 2022)*

Emphasis was also placed on the need for data analytics skills, with stakeholders noting the value that these would add in an increasingly digital environment, such as the ability to interpret datasets.

"I think it's also highlighted for us the use of data to help us understand trends, you know, where people are engaging, how they're engaging. So [we need] data analytics [skills], rather than just taking data at face value, [we need to] be able to actually ask questions of that data..."

*(Bank and Alternative Bank Interview, 2022)*

The stakeholders were further of the view that the increased adoption of digital/virtual platforms were proving to be beneficial to their organisations as it created the opportunity for employees to be upskilled in digital skills, allowing them to effectively make the transition to online platforms.

"The virtual interventions are also proving to upskill staff and board members at CBI level as they move (or prepare to) their business and interactions online."

*(Bank and Alternative Bank Interview, 2022)*

This potential value that could be offered by these additional skills, as well as the transition to remote working forced banks to assess the competency of their teams with regard to the required skillsets. As stakeholders noted, it was necessary to consider and address the upskilling of the labour force within the sectors as a result of emerging needs, not just for immediate roles within the banks, but for other roles that may be occupied in future as well.

"The emerging need for rapid digital transformation and upskilling is a key consideration the banking sector requires to address."

*(Bank and Alternative Bank Interview, 2022)*



"...there is more urgency around reskilling, upskilling, and skilling for beyond [bank name redacted]. There is now a lot of appetite around skilling people not just with banking skills, but skills outside [bank name redacted] or a banking industry if the person so wishes as part of their career."

*(Bank and Alternative Bank Interview, 2022)*

In an attempt to address the need to upskill individuals in the sectors, certain banking and alternative banking institutions partnered with institutions of higher learning in order to provide relevant training to organisations and individuals within the banking and alternative banking sector. This upskilling is offered to employees in order to ensure that they are adequately equipped for a digitally inclined banking and alternative banking environment.

"So the way we're actually approaching this is in the spaces where we have started to restructure, we are giving people the option to do reskilling or upskilling and actually put things that they've always wanted to. So we have entered into a contract with UJ where they're actually doing a number of development programs around entrepreneurial skills, around digital skills, and they are negotiating with other partners for us to do skills that are scarce in South Africa."

*(Bank and Alternative Bank Interview, 2022)*

#### **Positive Practice**

In response to emerging skills needs, it was noted that certain banking and alternative banking institutions partnered with institutions of higher learning in order to secure relevant training for their employees from these higher learning institutions.

#### **Key Finding**

It was noted that several skills were required in order for the transition to remote working to be effective. These included skills such as communication, ICT, and data analytics. Increased upskilling and reskilling of employees is, therefore, required.

#### **4.1.2 Impact of COVID-19 on Client Needs**

Traditionally, banks have struggled to understand their customers and build customer-focused relationships (BANKSETA, 2022). This has changed in recent years with there being a need for banks to engage with their customers in a more holistic manner, a need which has now been accelerated by the onset of the COVID-19 pandemic (Deloitte, 2021). In the current consumer market, customers are continuously redefining their expectations, taking cues from other industries that have the ability to offer multichannel access, product simplicity, and seamless integration (Deloitte, 2021). Subsequently, customers now require their banking experiences to be convenient, personalised, and accessible (BANKSETA, [www.bankseta.org.za](http://www.bankseta.org.za), 2022). These changes ultimately mean that organisations within the banking sector need to ensure that they have the adequate skills to facilitate a shift to a more customer centred approach. From a skills development perspective, this would require an increase in the number of training initiatives focused on 'soft skills' such as those focused on customer care and service orientation (DHET, 2022).

Consultations with stakeholders revealed that, in light of the pandemic, institutions within the banking and alternative banking sector had to reassess and adapt their approach to addressing client needs. For some institutions, this entailed enhancing their banking processes and content based on the feedback they received from customers.



"We had to understand and reconfigure a model to assist clients from a complaints perspective - to be able to step up the processes, content and information to clients in terms of how to continue banking because banks were deemed an essential service."

*(Bank and Alternative Bank Interview, 2022)*

A key element of the changes that were adopted by some banks was ensuring that information and processes that were communicated to clients, for instance, regarding how the pandemic will affect their finances, was accurate and readily accessible to clients via the bank's online platforms. The study found that some institutions achieved this through a collaborative effort involving businesses and client experience practitioners to identify ways to cater to their client needs.

"...we also had something called the Client Experience Collaboration Forum. It was a coming across from all client experience practitioners and business to say how do we encourage clients. The first was definitely 'what is going to happen to my debt?' So, the grouping came together to make sure that whatever communications were sent to clients were correct, the processes were correct, whatever was meant to be put [on our websites], the COVID-19 pages, were readily accessible to clients. And when the clients called into the call centre, they were able to be assisted."

*(Bank and Alternative Bank Interview, 2022)*

For financial institutions, one of the key areas of focus for the recovery of the sector became enhancing the service that was provided to customers. This entailed incorporating the human element into digital platforms, which included interacting with stakeholders over the telephone, video conferencing or chat bots (Bellens, Pogson, Bedford, & Meekings, 2020). Financial institutions had to acknowledge the need to proactively engage with clients via new channels.

"...for clients, the biggest thing was making sure that we could engage with them in a digital way, not just through an app or a website or a call centre, but to have a conversation like this [over the phone]. That was the biggest shift because anytime we make a claim previously it would have been face-to-face. And I think there was, in some cases where that was not possible, not appropriate... We were able to make exceptions to be able to engage with them face-to-face."

*(Bank and Alternative Bank Interview, 2022)*

Other methods that were adopted by banks to meet their clients' needs during the pandemic included gaining a better understanding of their clients' segments in order to offer tailored support and be able to communicate effectively.

"Understanding our clients better was also accelerated because we needed to actually understand our segments much better during that period in order to also reach out to them and not only rely on them reaching out to us."

*(Bank and Alternative Bank Interview, 2022)*

Consultations with representatives from banks revealed that these institutions conducted segment research to better understand the needs of their target market. This research uncovered, among other things, that the expectations or needs of demographics such as the youth had not changed drastically as a result of the pandemic. Furthermore, it was found that clients' preferences shifted towards more efficient self-service platforms.



"I do not think the youth changed too much in their expectations. We do a lot of segment research and target market understanding. I do not see [the expectations] particularly having changed, but I do see that, [with regard to] the efficiency, in and out self-servicing [is] becoming more the focal point for clients."

*(Bank and Alternative Bank Interview, 2022)*

The detrimental effect that the pandemic had on operations and subsequently the ability of organisations to generate revenue meant that many businesses sought financial support during the height of the lockdown period. Banks and alternative banks were cognisant of the challenges faced by many business and, therefore, looked for ways in which they could support these businesses financially..

"So, I think the support that we offered was more on the how could we support them financially through what their businesses were going through, etc, rather than through different channels or mediums."

*(Bank and Alternative Bank Interview, 2022)*

Responses from some of the major South African banks included the banks establishing relief measures, in an attempt to assist clients that were directly impacted by the COVID-19 pandemic. One of these measures was in the form of payment holidays (i.e. an agreement between a bank and its client to waiver debt repayments for up to 3 months) (Financial Sector Conduct Authority, 2020). The study found that payment holidays became a crucial need for some clients.

"Giving clients, payment holidays was crucial to getting them through Covid-19. So far these steps seem to have helped our clients."

*(Bank and Alternative Bank Interview, 2022)*

"On the credit side and financials, financial institutions made arrangements to give a holiday period in terms of paying back. Those steps were very effective because we are almost back to post COVID times in terms of financial and credit perspective, we can see that across the banking industry."

*(Bank and Alternative Bank Interview, 2022)*

While the payment holidays were meant to provide relief to clients, stakeholders noted that requests for these holidays were received in large volumes. Managing this high influx of applications was a challenge for the banking organisations. It, therefore, became crucial for banks to communicate the qualification criteria for payment holidays and the risks that were associated with those relief measures to clients.

"...then also the directives that came in- how do you assess clients on COVID Repayment Schemes, and the operational impact- making sure the clients understood when they could qualify, what the impact of having that 'payment holiday' [would be] and that sort of client impact, and the execution [sic] on that. We had huge volumes of clients applying for payment holidays. So how did you deal with that, because the consumer at the time is not earning. So how did you manage those volumes of clients wanting those systems with the directives given by the Reserve Bank, by the National Credit Regulator, ensuring documents are kept, etc. so yes, it has a massive impact in nutshell."

*(Bank and Alternative Bank Interview, 2022)*



According to Gwynne (2020) it became a priority for banks to establish a sustainable approach to processing the surge in lending applications during the pandemic. It was suggested that banks should include electronic channels to manage COVID-19 related loan applications (either as a separate channel or as a separate track within existing channels) and the extension of automated credit decision-making to as many applications as possible, allowing manual credit underwriting to be focused on exceptions and higher risk cases.

#### Key Findings

- It was observed that the COVID-19 pandemic resulted in changes to client needs and expectations, with customers seeking banking experiences that were more convenient, personalised, and accessible according to their preference. As a result, financial institutions were required to adapt their processes and communication methods to meet the need of the clients.
- It was found that in order to assist customers during the pandemic, many financial institutions introduced payment holidays. However, due to the high influx of payment holiday requests, banks had to adopt ways to effectively manage the high volumes of applications, including communicating the qualification criteria for the holidays as well as the risks associated with those relief measures to clients.

#### **4.1.3 Risks Encountered as a Result of the COVID-19 Pandemic**

While the accelerated adoption of digital transactions was seen as a positive consequence of the COVID-19 pandemic, the FSCA (2022) noted that this created a platform for increased fraudulent activity, posing a threat to the protection of customers and the integrity of the financial sector. It was noted that online impersonation fraud increased by 337% in 2020 alone, at the height of the pandemic (FSCA, 2022). This was corroborated by Govender (2021) who indicated that digital banking and debit card fraud had increased by 33% and 22%, respectively. This was influenced by heightened efforts to phish and steal personal data from customers, as the frequency of digital transactions increased during the pandemic (Govender, 2021). Interviews with stakeholders further confirmed the view that there was increasing cybersecurity risk as a result of the new technology that organisations had implemented in response to the COVID-19 pandemic.

"[We encountered] cybersecurity risk. The need to adopt technological systems at Co-operative Banking Institution ('CBI') level as a response to COVID (contactless services) has exposed CBIs to the risk of cybercrime as the CBI's business and member information has moved online. Hackers are always looking to illegally access businesses and their systems."

*(Bank and Alternative Bank Interview, 2022)*

From a more technical side, how do we protect information? Specifically, from an information systems perspective but also in terms of controls. For example, how do we patch systems in order to keep it up to date given that we are no longer connected to the organisations network? The computer still needs to be updated, this leads to exposure to cybercrimes and risks."

*(Bank and Alternative Bank Interview, 2022)*

The stakeholders' concern with the protection of information was made even more pressing given the changes that were introduced regarding the legislative requirements in terms of the Protection of Personal Information Act ("POPIA"), with stakeholders noting that the risk of non-compliance with POPIA increased as a result of the enhanced adoption of technology.



"Changes in legislative environment [were a concern]. The introduction of POPIA coupled with the move towards technological systems has exposed the CBIs to the risk of not complying with the protection of personal information as required by POPIA."

*(Bank and Alternative Bank Interview, 2022)*

Given the increased use of digital platforms and the resultant increase in cybercrimes, it is important that banks have adequate mitigating and control measures in place to guard against cybercrime and the risks associated with transacting online. As such, developing skills associated with cyber security and ensuring that banks have the ability to offer their clients online offerings with minimal risk is of the utmost importance (BANKSETA, 2022). As part of this study, it was found that organisations responded to the increased risk of cybercrimes by establishing control measures to guard against cybercrime and ensure the safety of employees that were working from home.

"We quickly enhanced security protocols and controls to enable the vast majority of our employees to work effectively and safely from home."

*(Bank and Alternative Bank Interview, 2022)*

In addition to the abovementioned cybersecurity risk, stakeholders further identified credit risk as threatening the banking and alternative banking industry. Research indicates that while the financial system has remained resilient throughout the pandemic, the levels of credit risk had increased, with liquidity ratios exceeding regulatory requirements (which were lowered during the pandemic). Banks generally reported declined profits, and smaller banks in particular were impacted by increasing provisioning costs and decreased non-interest income (due to lower interest rates) (IMF, 2022). In order to mitigate against this risk, stakeholders indicated their organisations have had to reconsider their current approaches to credit, including revising the probability of default on some credit facilities.

"From [a] credit risk perspective we need to reflect on the changes in the economic environment in which we operate. That has called for changes such as an increase of credit risk(s), expected losses, the probability of default, non-performing loans etc."

*(Bank and Alternative Bank Interview, 2022)*

Similarly, CBI organisations were forced to reduce the credit issued to clients. This was as a result of these organisations being unable due to collect loan payments from clients that had been retrenched, as a result of the pandemic.

"...CBIs reduced their credit issues (lines) to members as the collectability of such loans appeared to be limited as more and more members were losing or had lost their jobs."

*(Bank and Alternative Bank Interview, 2022)*

#### **Key Finding**

Key risks that the banking and alternative banking sector were presented with as a result of the COVID-19 pandemic included an increase in cybercrime, as well as credit risk.





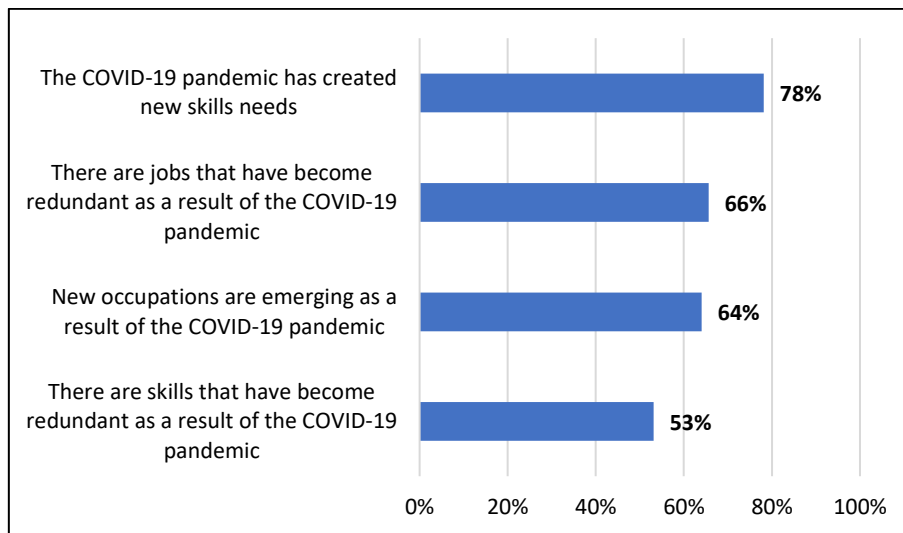
## 4.2 Impact of COVID-19 on Banking and Alternative Banking Skills Development Landscape

This section outlines the impact of COVID-19 on the skills development landscape within the banking and alternative banking sectors, which includes understanding the impact of COVID-19 on jobs, skills and education and training initiatives within these sectors. Furthermore, this section explores the role of BANKSETA in improving skills development in light of the skills development changes that have resulted due to the COVID-19 pandemic.

### 4.2.1 Impact of COVID-19 on Jobs and Skills

In order to assess the impact of COVID-19 on jobs and skills within the banking and alternative banking sector, participants of the survey, namely SDFs and training providers, were requested to indicate the extent to which they agreed that new occupations and skills had emerged as a result of the COVID-19 pandemic. Additionally, respondents were requested to indicate the extent to which they agreed that there were jobs and skills that had become redundant as a result of the pandemic. The figure below demonstrates these results.

**Figure 4-2: Extent to which to Respondents Agreed that Jobs/Skills have Emerged/Become Redundant**



As can be seen in the figure above, a considerable proportion (78%) of respondents agreed that the COVID-19 pandemic has created new skills needs. Through qualitative consultations, it was determined that some of the skills the respondents believed have emerged as a result of the COVID-19 pandemic included several digital and engineering skills such as software development, automation engineering, cloud engineering, data science and data security.

“Solutions architecture, software development, automation engineering, robotics, process engineering, cloud experience, cloud engineering, cyber risk, cyber engineering, data analytics, data science and data security are amongst the emerging skills.”

*(SDF Interview, 2022)*

The Study further found that 64% of respondents agreed that there are new occupations that have emerged as a result of the COVID-19 pandemic. Respondents indicated that there is a need to fill roles in cybersecurity and data analytics.



“There are [some] emerging skills [and occupations]. Mainly [skills and occupations related to] cybersecurity and data analytics.”

*(SDF Interview, 2022)*

On the other hand, as can be seen in the figure above, 66% of the respondents agreed that there are jobs that have become redundant as a result of the COVID-19 pandemic. Roles that respondents appeared to believe had become redundant included bank tellers and front office desks due to the development of banking applications and the increased use of these applications by customers.

“With the development of apps, the tellers and front office desks have become redundant and null void, where most people use apps. Now people are even able to order the cards from the app, and receive it from the ATM, the physical personnel inside the bank is becoming redundant.”

*(Training Provider Interview, 2022)*

In terms of skills, 53% of respondents believed that certain skills have become redundant. Stakeholders noted that skills related to manual processes were at risk of becoming redundant due to accelerated automation in the sector. These included skills related to data capturing.

“Due to automation, data capturing skills [are now redundant].”

*(SDF Survey, 2022)*

“Skills requiring manual processes are more in danger of becoming redundant due to acceleration of automation and AI adoption that picked up during the pandemic.”

*(Training Provider Survey, 2022)*

Contrastingly, some respondents were of the view that certain jobs and skills within the banking sector had not necessarily become redundant, rather, the COVID-19 pandemic either broadened the scope of those jobs or highlighted the need for these jobs and skills to be adapted to the changing work environment. An example of particular skills that need to be adapted to the post COVID-19 are management skills. Research indicates that while there are similarities in terms of the skills required to manage employees remotely when compared to managing employees on site, there are nuances and unique challenges associated with remote working that managers need to take into consideration. This, in turn, may necessitate the adaption of their management skills (Daniel , 2020). Literature reveals that employees face unique challenges under remote working arrangements, including difficulty adjusting to the lack of physical interaction, as well as more technical challenges such as the lack of suitable connectivity (Daniel , 2020). Other challenges cited include those related to psychological well-being. According to Erasmus (2020) the psychological well-being of employees can be put at risk under remote working arrangements due to the potential lack of boundaries between remote employees’ work and private lives. As such, it appears that managers and leaders need to be cognisant of the consequences of remote working, and the manner in which their skills need to be adapted in order to ensure that employees are managed effectively.

In the COVID-19 context, research has indicated that leaders and managers were underprepared and were not ready to lead in a remote workspace (Forster , Patlas, & Lexa , 2020). Furthermore, a study conducted by Holmberg and Petrelius (2020) which was focused on understanding how COVID-19 impacted on leadership styles<sup>2</sup>, revealed that many managers experienced challenges regarding their

---

<sup>2</sup> The study involved gathering input from 34 different managers across various sectors.



roles and their view of leadership during the pandemic and the associated shift to remote working. Managers also cited challenges in terms of striking a balance between typical management techniques and encouraging independence and self-motivation amongst employees. The study further revealed that building and sustaining trust became increasingly challenging, given that managers had to place more trust in employees as a result of the reduction in physical contact and consequent transition to remote working (Forster , Patlas, & Lexa , 2020).

Further research conducted by Barrios and Pitt (2021) indicated that, in order to adapt to remote working environments, leaders and/or managers needed to improve communication skills to ensure that any communication to employees was precise and needed to focus on improving their delegation skills. Other competencies required to adapt to remote working included ensuring visibility (i.e., ensuring that managers are available to employees in a remote environment). This was critical because, as explained by Barrios and Pitt (2020), under remote working arrangements, employees often feel isolated and anxious. Thus, ensuring visibility allowed managers to monitor stress and anxiety levels of employees, and provided a platform for employees to communicate with their managers.

In terms of fieldwork research conducted, this concept of adapting certain skills to the post pandemic context can be seen by, for example, the change in training approaches adopted for certain roles in light of the COVID-19 pandemic. Several stakeholders indicated that the focus in terms of skills development initiatives was on training for ‘softer’ skills during the pandemic, which included understanding how to engage, operate efficiently and manage employees under remote working arrangements, as opposed to training on the technological tools used during the pandemic.

“From a skills perspective, most people were comfortable with technology. The shift and the learning were more [with regard to] how we actually engage in a digital manner and [considering] how [managers] lead a team in a digital manner. That was the biggest learning curve more than the actual learning to manage the technology.”

*(Bank and Alternative Bank Interview, 2022)*

Furthermore, respondents elaborated that leadership skills and the facilitation of training, for instance, have undergone adjustments as a result of the organisations adopting remote or hybrid work.

“[Jobs and skills have] not necessarily [become] redundant, I think the nature of skills have changed. Something like leadership skills for instance. The type of skill needed to manage a physical office staff and a staff that is working remotely or hybrid, is different. We’ve had to adjust the new ways of work with the same boundaries. Something such as facilitating training, had to be adjusted, as the approach wouldn’t be the same as that of a physical class. We have more people dialling into the call centre, call centre agents have had to make a change to their skill sets to keep up with the demand. There has been some adjustments and changes.”

*(Training Provider Interview, 2022)*



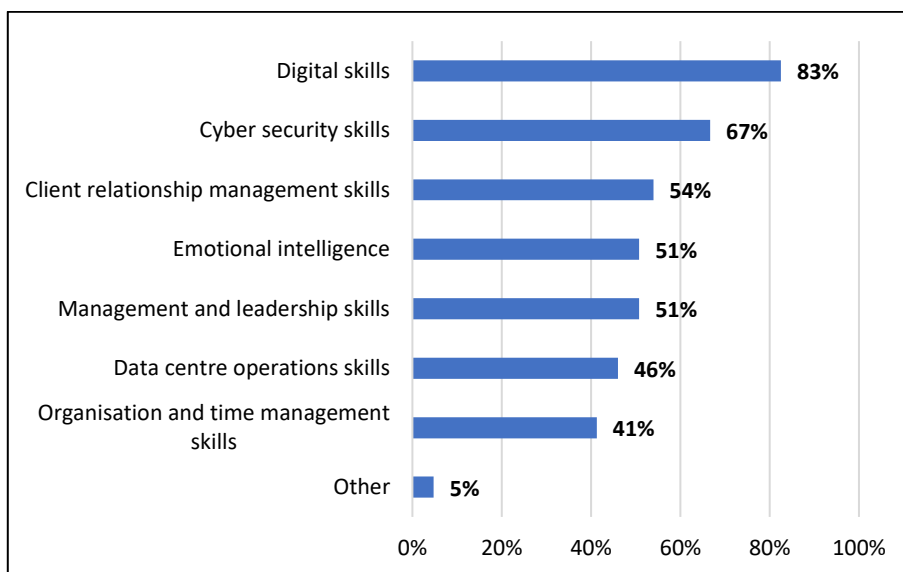
**Key Findings**

- Stakeholders were of the view that several digital and engineering skills such as software development, automation engineering, cloud engineering, data science and data security, have emerged as a result of the COVID-19 pandemic. Similarly, stakeholders indicated that the pandemic has created the need to fill jobs related to cybersecurity and data analytics.
- The study found that certain stakeholders believed that occupations such as bank tellers and front office administration have become redundant as a result of the enhanced digitisation and/or automation within the sector. This also included occupations related to manual processes, such as data capturing.
- Other stakeholders were of the view that, as a result of the pandemic, there was the need to adapt certain skills or occupations, such as leadership skills and training facilitation, to the changing work environment (i.e., as a result of the increased transition to remote or hybrid work).

**4.2.1.1 Emerging Jobs and Skills**

As per the section above, respondents were requested to indicate whether they believed there were any new jobs or skills that emerged as a result of the COVID-19 pandemic. Further to this, respondents were requested to indicate the specific jobs and skills that they believed were emerging. The figure below illustrates the skills which respondents believe will be required by businesses within the subsectors in which they operate as a result of the pandemic.

**Figure 4-3: Skills Emerging as a Result of the COVID-19 Pandemic**



*Note: Percentages in the above graph add up to more than 100% because respondents were allowed to select more than one option.*

A review of literature revealed that one of the consequences of the COVID-19 pandemic was a ‘digital transformation’, whereby organisations across various sectors, including those in the South African banking and alternative banking sector, adopted digital approaches to work and engagement with customers. As a result of this, digital upskilling has been identified as a key priority (BANKSETA, 2022). This was supported by primary research whereby, as can be seen in the figure above, 83% of respondents agreed that digital skills was a skill that emerged as a result of the pandemic. This was followed by cyber security skills which was selected by 67% of the respondents. These results were supported by stakeholders who noted that due to the COVID-19 pandemic, along with the adoption



of remote work, digital and cyber security skills have become critical for the organisations within the banking sector.

“The magnifying glass would be the technology side of things more than anything. COVID-19 has also changed the structures and skills needed in the sector. Skills such as cyber security have become more critical as we are working remotely. The skill of being able to assist someone from a technician perspective, being able to assist remotely, has changed and so has the communication skills because if one is technologically challenged, they need to be able to assist in navigation so that the person can resolve the issue with remote assistance.”

*(SDF Interview, 2022)*

In addition to the above, 54% of the respondents identified client relationship management skills as skills that are emerging, while 51% of the respondents selected emotional intelligence and management and leadership skills. With regard to leadership skills, some respondents indicated that the ability to manage individuals and teams remotely was an important emerging skill.

“[A skill that is emerging as a result of COVID-19 is] managing individuals and teams remotely”

*(SDF Survey, 2022)*

Other emerging skills that were identified included data centre operations skills (46%) and organisation and time management skills (41%).

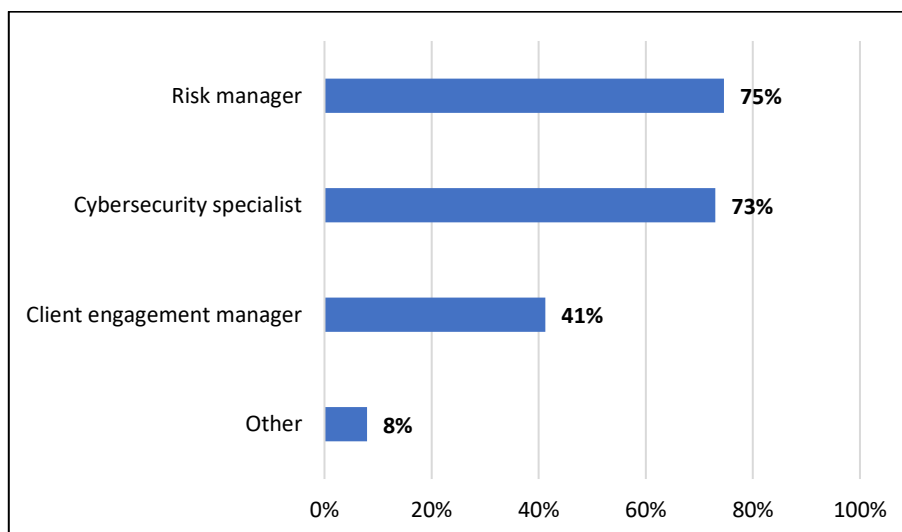
5% of the respondents selected ‘Other’ and an analysis of the survey results indicates that respondents mentioned that all of the skills listed as options were required before the COVID-19 pandemic and had not emerged as a result of the pandemic.

“All [of the skills listed as options] were already required pre-COVID.”

*(SDF Survey, 2022)*

Similar to the above, survey participants were requested to indicate which occupations they believe have emerged as a result of the COVID-19 pandemic. The results are depicted in the figure below.

**Figure 4-4: Occupations Emerging as a Result of the COVID-19 Pandemic**



*Note: Percentages in the above graph add up to more than 100% because respondents were allowed to select more than one option.*



As depicted above, the emerging occupations identified by respondents included risk manager, which was selected by 75% of the respondents, and cybersecurity specialist, which was selected by 73% of the respondents. This was supported by the literature which found that in order to keep up with the rapid developments in technology, as well as the divergence in global regulatory systems, there was a need for banks to prioritise compliance modernisation, focusing on making regulatory systems more efficient for business strategy. Compliance modernisation refers to an approach whereby the compliance function is seen through a strategic lens and is tied to the value proposition of the organisation (Deloitte, 2017). A modernised compliance function can be an organisation's most effective method to monitor, predict and analyse risks and opportunities in a more proactive manner (Deloitte, 2017). Furthermore, given the increased use of digital platforms, it is important that banks have adequate mitigating and control measures in place to guard against cybercrime and the risks associated with transacting online. As such, developing skills associated with cyber security and ensuring that banks have the ability to offer their clients online offerings with minimal risk is of the utmost importance (BANKSETA, 2022).

The results of the survey further indicate that among the occupations that were identified as emerging, client engagement manager was selected by 41% of respondents. This is perhaps indicative of the fact that banks have had to become more client focused and more cognisant of client needs, particularly as a result of the restrictions on movement at the height of the COVID-19 lockdown, which meant that many individuals were not earning a salary and consequently, were unable to pay their bank debts.

"We had to consider how to engage with clients [and address their concerns]. Clients' first concern was what was going to happen to their debt. Remember, at this point consumers were not earning."

*(Bank and Alternative Bank Interview, 2022)*

"We had to be more understanding of our clients - more than half of our clients entered into special arrangements in order to repay their loans."

*(Bank and Alternative Bank Interview, 2022)*

This was echoed in other stakeholder consultations, whereby certain organisations indicated that they had to adopt a more caring and needs-based approach to client relationship management.

"[Regarding measures put in place to adapt to the pandemic] we had to improve our communication and approach to stakeholder engagements. [We had to adopt] a more caring and needs based approach to client relationship management."

*(Bank and Alternative Bank Interview, 2022)*

Additionally, 8% of respondents selected 'Other' and noted occupations such as those that require digital skills, as emerging.

"Occupations that require digital skills [are emerging] as most businesses has turned to digital [or the] internet to conduct business when physical movement and interactions between clients, team members etc. have been restricted."

*(Training Providers Survey, 2022)*



Furthermore, other respondents were of the view that the pandemic has highlighted the need for human capital development and psychological support, placing an emphasis on roles that are related to the wellness of employees.

“Human Capital Development and psychological support.”

(SDF Interview, 2022)

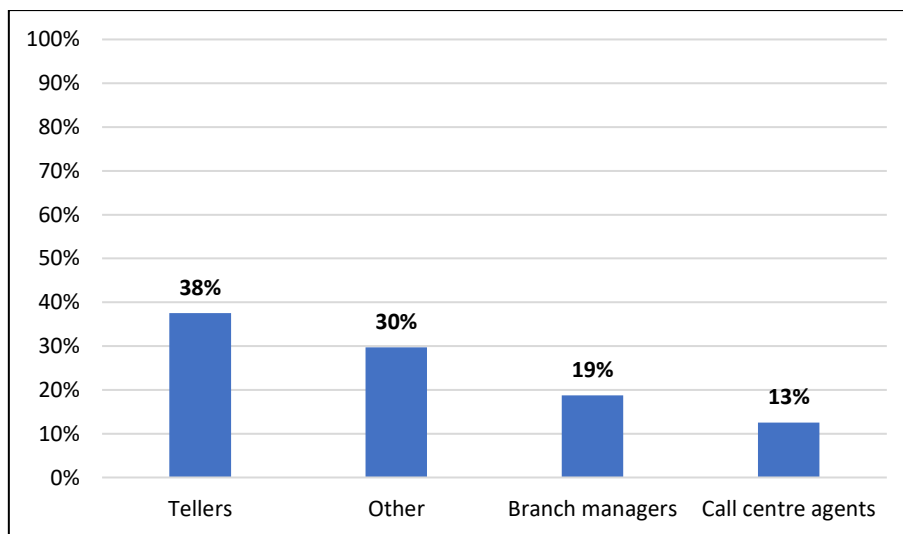
**Key Findings**

- Several jobs and skills were identified as emerging within the banking and alternative banking sectors. These included jobs and skills such as digital skills, cybersecurity skills, client relationship management skills, risk managers and cybersecurity specialists.
- Other emerging skills or occupations identified by stakeholders included the ability to manage individuals and teams in a remote working environment and occupations that place focus on the wellness of employees, such as roles related to enhancing psychological support (such as, for example, workplace counsellors).

**4.2.1.2 Redundant Occupations**

In contrast to the section above, this section investigates the occupations that SDFs and training providers believe have become redundant as a result of the COVID-19 pandemic. The figure below illustrates the occupations that respondents believed have become redundant.

**Figure 4-5: Redundant Occupations as a Result of the COVID-19 Pandemic**



As can be seen above, 38% of the respondents were of the view that tellers have become redundant as result of the COVID-19 pandemic. This was followed by branch manager and call centre agents, which were selected by 19% and 13% of respondents, respectively.

Furthermore, 30% of the respondents selected ‘Other’. It was noted that many of the occupations were flagged as becoming redundant as a result of the enhanced digitisation that occurred in response to the COVID-19 pandemic. These included certain administrative roles as well as those jobs that traditionally require face-to-face engagements. This view was supported by desk-based research which revealed that the pandemic changed the manner in which customers engage with banks, with the preference shifting towards digital banking (BusinessTech, 2021).



“Back Office Administration jobs [have become redundant], due to digitisation.”

*(SDF Survey, 2022)*

“Many face-to-face roles have become redundant with many people opting for online services and delivery.”

*(Training Providers Survey, 2022)*

### **Key Findings**

Respondents appeared to be of the view that many jobs that traditionally required face-to-face engagements have become redundant as a result of the COVID-19 pandemic and the subsequent increased digitisation within the banking sector and clients opting for online services. This included jobs such as front office administration, tellers and branch managers.

## **4.2.2 The Impact of COVID-19 on Training and Educational Initiatives**

Globally, the COVID-19 pandemic and the associated lockdown and social distancing measures that were implemented, triggered an unprecedented disruption in the provision of education and training, while simultaneously serving as a catalyst to innovation, as evidenced by the introduction of distance learning initiatives (Allais, 2021). However, while access to learning and skills development initiatives were maintained in contexts whereby individuals had access to the relevant equipment and infrastructure, such as the internet and computers, this was not the case for all individuals, particularly those forming part of disadvantaged groups of society. In the South African context, Allias (2021) indicated that the COVID-19 pandemic exacerbated existing weaknesses regarding the manner in which education and skills training initiatives are provided to learners. During the peak of the imposed lockdown restrictions, it was noted by the Mail and Guardian (2021) that the COVID-19 pandemic had a severe impact on attendance at schools and universities, with many of these institutions being forced to transition to online learning. While lockdown restrictions have since eased, the transition to online learning has become necessary in order to ensure that educational and skills development activities continue as intended, despite the challenges associated with the COVID-19 pandemic. This increase in online learning has resulted in the rapid acceleration of digital transformation, requiring various learning and training institutions to change the media through which they engage with learners (Allais, 2021).

This section, therefore, explores the impact of COVID-19 on training and educational initiatives within the banking and alternative banking sector by investigating the impact of COVID-19 on the ability to provide training; the extent to which training providers are adequately capacitated to provide training on new emerging skills and the emerging trends in education and training.

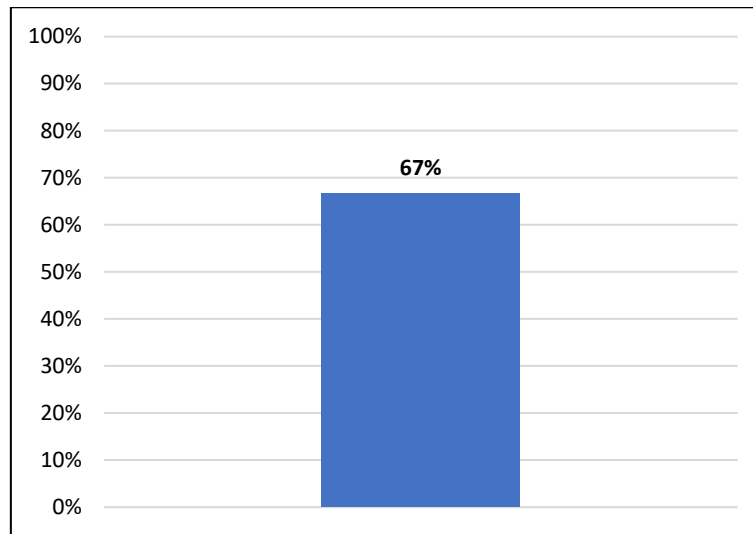
### **4.2.2.1 The Impact of COVID-19 on Ability to Provide Training**

Stakeholders were requested to indicate the extent to which their organisation’s ability to provide training was impacted by COVID-19. The results are illustrated in the figure below.





**Figure 4-6: Extent to which the COVID-19 Pandemic Impacted Organisations' Ability to Provide Training**



As can be seen in the figure above, the majority of respondents (67%) indicated that their ability to provide training was either significantly or extensively impacted by the COVID-19 pandemic. The study found that for some stakeholders, the transition to online learning was challenging given the brief timeframe that they had to adapt to the circumstances that were brought by the pandemic.

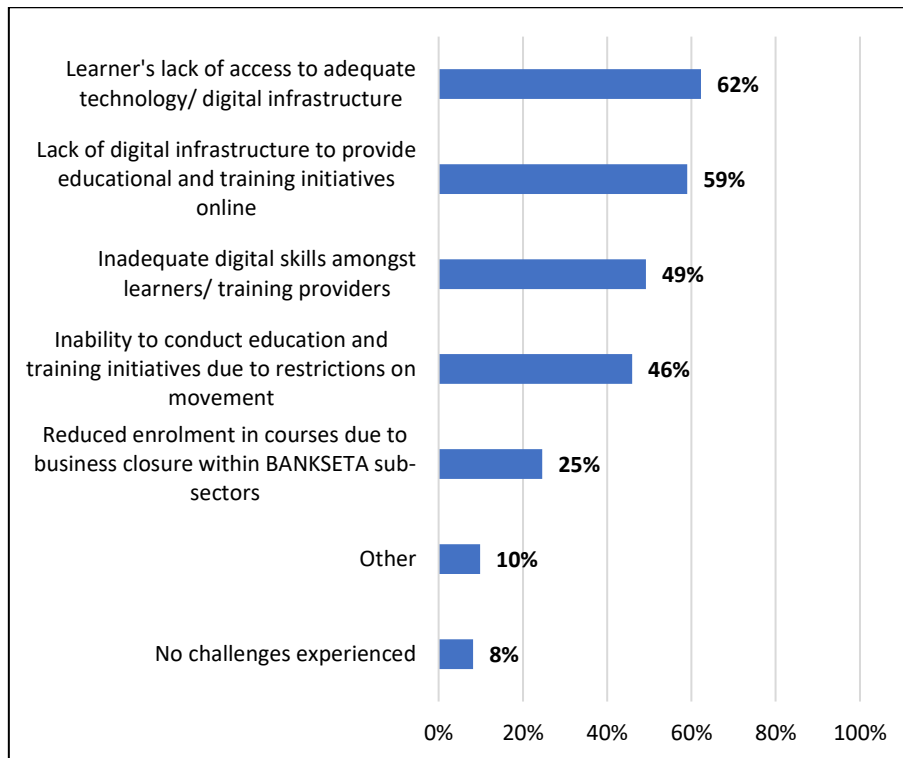
“The challenge was getting the material and setting up online learning in a short period of time. We were relatively lucky as we had providers that were willing to do that.”

*(Training Providers Interview, 2022)*

To further unpack how the pandemic impeded the provision of training, SDFs and training providers were requested to indicate the challenges experienced while attempting to provide education and training initiatives during the pandemic. The results are presented in the figure below.



**Figure 4-7: Challenges Experienced when Attempting to Provide Education and Training During the Pandemic**



Note: Percentages in the above graph add up to more than 100% because respondents were allowed to select more than one option.

As can be seen above, 62% of respondents indicated that learners’ lack of access to adequate technology/digital infrastructure impeded their ability to provide education and training during the pandemic. Stakeholders noted that learners were unable to afford learning material and digital infrastructure such as laptops and mobile data to enable them to access the education and training. It was added that the grants that are provided to learners were not sufficient enough to allow them to afford the abovementioned resources.

“[The lack of] resources [such as] internet, laptop and electricity were an issue. The learners lack resources because the grant provided is not sufficient for them to buy learning materials such as laptops as well as finance the data costs.

*(Training Providers Interview, 2022)*

Similarly, training providers faced the challenge of a lack of digital infrastructure needed to provide educational and training initiatives online, with 59% of respondents selecting this as a challenge they faced during the pandemic. According to Allias (2021), only a few vocational training institutions had the facilities required for the provision of online learning during the pandemic. Some of the stakeholders that were consulted noted that they were unable to afford to digitise their courses and transition to online learning effectively.

“There was no training that we could offer because we needed to move the courses to an e-learning platform and people who have those skills do not come cheap. We couldn’t afford to digitise the courses.”

*(Training Providers Interview, 2022)*



The results further indicate that 49% of respondents indicated that a challenge they faced was inadequate digital skills amongst learners and training providers. Consultations with training providers revealed that while some learners were able to adapt to virtual learning, others lacked the necessary skills or competencies to work effectively.

“We have learner groups that easily adapted to virtual learning, and they are doing really well. Some learners are not digitally skilled to take online lessons, they lack competencies to be able to work effectively.”

*(Training Providers Interview, 2022)*

This finding was supported by Landa, Zhou and Marongwe (2021), who found that not only did several students not have access to the necessary digital infrastructure during the pandemic, but some students also did not have adequate digital skills in order to participate in online learning initiatives.

Another challenge that was faced by training providers during the pandemic was the inability to conduct education and training initiatives due to the restrictions on movement imposed by the government during the national lockdown, as selected by 46% of the respondents. It was found that, in some cases, training providers were forced to reduce the number of trainees due to the restrictions on movement.

“During the pandemic we didn’t do much work. Location was an issue. We couldn’t meet in person; it was a challenge. We had to reduce the numbers of students that we train because of the COVID-19 pandemic.”

*(Training Providers Interview, 2022)*

The results further indicate that only 25% of respondents selected ‘reduced enrolment in courses due to business closure within the BANKSETA sub-sectors’ as a challenge while 8% of the respondents did not face any challenges at all. Furthermore, 10% of the respondents selected ‘Other’ and noted challenges such as digital fatigue which impacted the enrolment for certain education and training initiatives (i.e., leadership, strategy, and personal development).

“Digital fatigue impacted take up of initiatives. Certain learning did not have the same impact in a digital format e.g., leadership, strategy, personal development

*(SDF Survey, 2022)*

### **Key Findings**

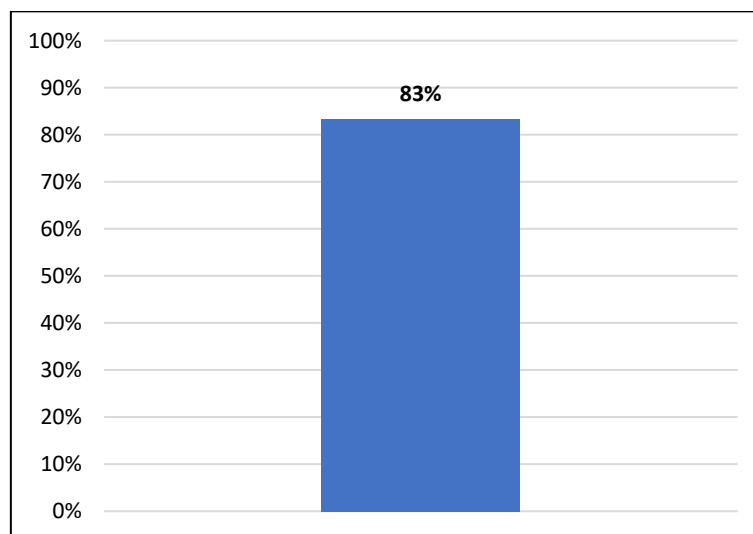
- The key challenges experienced while attempting to provide education and training included learners’ and training providers’ lack of access to digital equipment, high data costs, and learners’ low levels of competency with regard to digital skills.
- Additionally, the provision of training and education was impeded by the restrictions on movement during the COVID-19 lockdown. In some cases, this led to training providers reducing the number of trainees in their programmes.
- Some stakeholders identified digital fatigue as a challenge and noted that this impacted the enrolment of learners in several training initiatives such as leadership, strategy and personal development training.



#### 4.2.2.2 Training on New Emerging Skills

The preceding sections along with findings from literature have highlighted the emergence of several skills (i.e., digital skills, cybersecurity skills, client relationship management skills, etc.) as a result of the COVID-19 pandemic. In light of this, it is crucial to understand whether training providers are adequately equipped to provide training on these new skills to address any potential skills gaps that may occur within the banking and alternative banking sectors. SDF and training providers were requested to indicate the extent to which they believed that training providers were adequately capacitated to provide training on new emerging skills. The results of the survey are illustrated in the figure below.

**Figure 4-8: Extent to which Respondents Agreed that Training Providers are Adequately Capacitated to Provide Training on Emerging Skills**



As can be seen above, the majority of respondents (83%) agreed that training providers are adequately capacitated to provide training on new skills emerging as a result of the COVID-19 pandemic. This was supported by several training providers who noted that they possess the necessary infrastructure to and capabilities to provide training on new skills.

“Yes, we can, in our capacity we have the element which can take 375 000 students within a year, we have 230 courses, and on soft skills. We have moved our courses online, and we have a national certificate. We have employees who have experience of 20 years to 30 years. We are ahead on a lot of stuff. We have the resources to migrate from traditional training to online training.”

(SDF Survey, 2022)

Although the majority of the respondents appeared to believe that training providers are adequately capacitated to provide training on new emerging skills, some respondents noted that while some training providers have begun to incorporate new emerging skills in their training, there are others that have not been successful in doing so.

“I think training providers have started to incorporate these skills in their training programmes, but not all of them. Majority are still stuck on what they were accredited to train. It’s a handful of training providers who have incorporated the new skills into their curriculum.”

(SDF Interview, 2022)

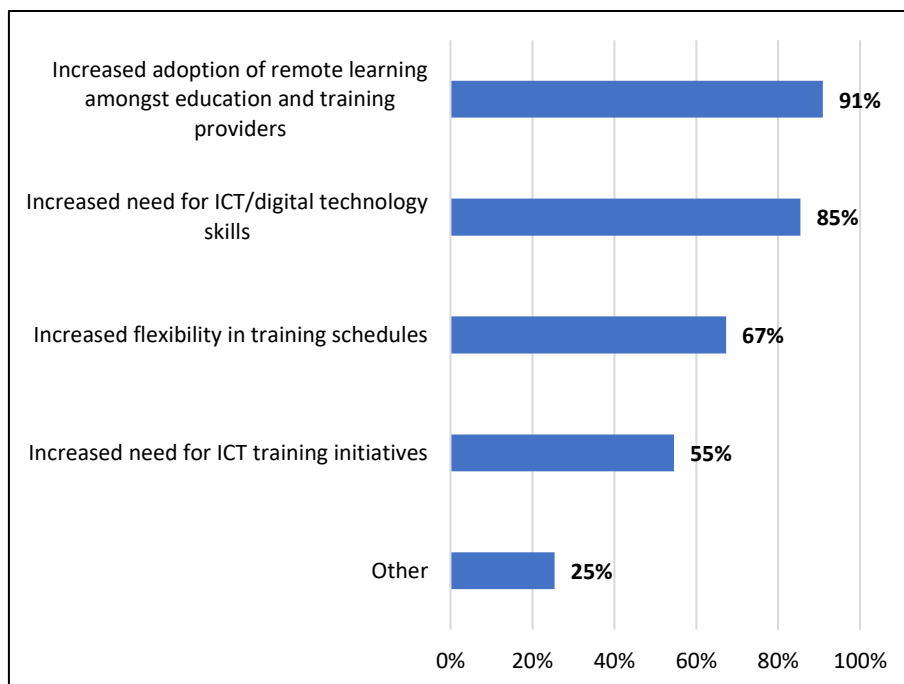


### 4.2.2.3 Emerging Trends in Education and Training

Desk-based research suggests that the COVID-19 pandemic has led to the emergence of new trends in education and training. Some of the new trends that were identified through literature included the adoption of Information and Communications Technology (“ICT”), as well as distance learning. ICT has become an increasingly emerging trend in education and training as learners were forced to undertake learning from their homes during the pandemic (Allais, 2021). As such, the role of ICT in facilitating learning increased as it enabled the access and sharing of information through multi modal communication styles (Majumdar, 2021). In a similar fashion, a study by the ILO, UNESCO, and the World Bank (2021) found that since the start of the pandemic, distance learning had been increasingly adopted by skills providers. Innovations such as the usage of simulators and virtual or augmented reality software in virtual practical training were implemented by institutions who had the required resources. Distance learning, therefore, allowed skills providers and facilitators to continue to deliver skills development despite the impact of the pandemic (Kara, 2021).

In order to further investigate the trends that were emerging in education and training as a result of the pandemic, survey respondents were requested to indicate what new trends they believed had emerged. The figure below illustrates the results.

Figure 4-9: Emerging Trends in Education and Training



Note: Percentages in the above graph add up to more than 100% because respondents were allowed to select more than one option

As demonstrated in the graph above, 91% of respondents were of the view that there had been an increased adoption of remote learning amongst education and training providers within the banking and alternative banking sectors. This is followed by an increased need for ICT/digital technology skills (85%); increased flexibility in training schedules (67%); and an increased need for ICT training initiatives (55%).

These results were echoed in consultations with stakeholders where it was revealed that there had been an increase in the uptake of short courses and training offered through online platforms.



“I do find that people are tapping into the short courses, the quick courses, the webinars and so forth. People are exploring on available training materials online. There has been a push from both the employer and the employees when it comes to shifting the focus on learning.”

*(SDF Interview, 2022)*

Additionally, some stakeholders were of the view that the pandemic had highlighted the need for the upskilling of learning and development practitioners within the digital learning environment.

“[An emerging trend in the provision of education and training initiatives is] learning and development practitioners needing to upskill themselves in the digital learning space.”

*(Training Providers Survey, 2022)*

25% of the respondents selected ‘Other’ and were requested to elaborate on the emerging trends they had identified as a result of the pandemic. One of the respondents was of the view that online training has created opportunities for training providers to offer training across the world. It was added that this had subsequently increased the number of service providers and trainers that are available in the sector.

“With online training lecturers are not limited anymore and can teach worldwide. This provides a bigger pool of service providers and trainers to choose from.”

*(SDF Survey, 2022)*

The results presented in this section were supported by desk-based research which highlighted the need for increased initiatives in ICT training and usage (Ahmed, 2020). The increased training and usage would provide options that practical skills providers, such as TVETs, whose curriculum includes internships and apprenticeships, could adopt to still be able to deliver on their mandates. ICT usage could also influence organisational patterns where, as reported in the Mail & Guardian (2020), companies have started introducing online apprenticeships and recruitment initiatives. However, it is worth noting that not all skills providers have been able to effectively adopt the use of ICT in their operations. In particular, due to the practical nature of skills training in TVET institutions, the transition to remote learning remains a challenge for those who are yet to adopt innovative approaches (ILO, 2021). Mpungose (2020) advised that the provision of free data, physical resources such as laptops, and online resources is the best approach to enhancing remote learning.

#### **Key Findings**

- The increased adoption of remote learning initiatives amongst training providers has created the opportunity for training providers to offer training across the world. This has subsequently increased the number of training providers in the sector.
- It was noted that the pandemic has highlighted the need for the upskilling of learning and development practitioners within the digital learning environment.

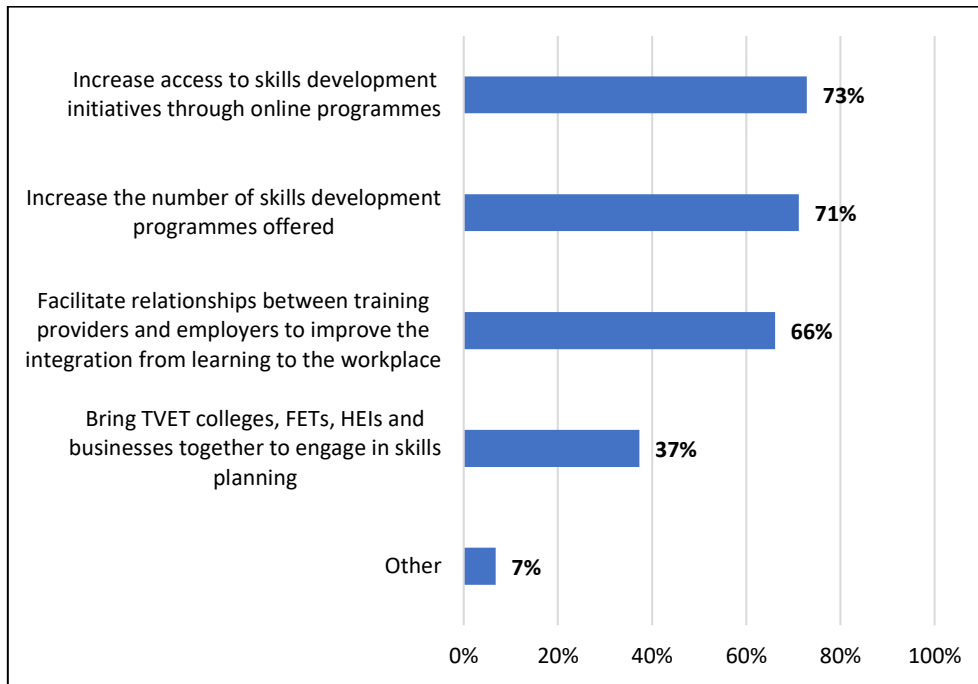
#### **4.2.3 The Role of BANKSETA in Improving Skills Development**

A key outcome of this study was to determine how to strengthen the strategy and efficiency of the BANKSETA and how to support the skills planning process for the banking and alternative banking sectors in the post COVID-19 context. Given BANKSETA’s critical role in skills development and planning within the banking and alternative banking sector, it, therefore, became critical to understand stakeholders’ views regarding the steps that BANKSETA can take in order to improve the skills development landscape post COVID-19. As such, questions were posed to stakeholders in order



to understand their perspectives regarding how BANKSETA can better support skills development in the sector, given the impact of COVID-19. These results are illustrated in the figure below.

**Figure 4-10: The role of BANKSETA in Improving Skills Development**



*Note: Percentages in the above graph add up to more than 100% because respondents were allowed to select more than one option*

As can be seen above, 73% of the survey respondents indicated that BANKSETA should consider increasing access to skills development initiatives through online programmes. This sentiment was echoed in stakeholder consultations, with stakeholders indicating that BANKSETA should improve access to skills development programmes through digital platforms and should also attempt to assist employers and training providers to implement e-learning initiatives.

“[BANKSETA can help us adapt to the impact of COVID-19] by improving access to skills development through virtual platforms. [BANKSETA] should also assist employers and training providers to implement e-learning.”

*(SDF Survey, 2022)*

A significant proportion of respondents (71%) were of the view that BANKSETA could increase the number of skills development programmes that are offered. Stakeholders emphasised that there is a need for increased skills development programmes, particularly those that focus on the training and development of training providers, in order to allow them to acquire the necessary skills that are in line with the requirements and standards of the banking sector.

“We want them to capacitate us, so that we can receive training and be developed. I have noticed that we do not match the level of skills of technical personnel in other institutions within the sector. I have never heard of a program where BANKSETA is capacitating training providers, we also need training so that we can acquire the necessary skills.”

*(Training Providers Interview, 2022)*



Other stakeholders added that BANKSETA should encourage the provision and uptake of short courses on skills that are critical to the sector, as it is believed that full courses may not be affordable to everyone.

“They must encourage short courses. Not everyone can afford a full course of R20 000 or R15 000. They must invest in short courses and advertise to encourage people to take courses that are needed in the industry.”

*(Training Providers Interview, 2022)*

The results in the figure above further indicate that 66% of respondents believe that BANKSETA can provide support by facilitating relationships between training providers and employers to improve the integration from learning to the workplace, while 37% were of the view that there is a need to bring TVET colleges, FETs, HEIs and businesses together to engage in skills planning. Suggestions from the 7% of respondents that selected ‘Other’ included the BANKSETA considering broadening the types of recognised training providers to include online training providers such as Udemy, LinkedIn learning and MS Learning.

“Broaden the recognised providers to include online and international providers [such as] Udemy, LinkedIn Learning and MS Learning.”

*(SDF Survey, 2022)*

#### **Key Findings**

- The study found that the stakeholders believed that BANKSETA can better support skills development in the sector by increasing access to skills development initiatives through online programmes and increasing the number of skills development programmes offered.
- Stakeholders appeared to be of the view that BANKSETA should consider placing focus on ensuring that training providers are adequately upskilled with skills that are in line with the requirements and standards of the banking sector..
- Some stakeholders were of the view that BANKSETA should encourage the provision and adoption of short courses on skills that are critical to the sector, in order to encourage the uptake of these courses.





## 5 Recommendations

The section below provides an overview of the positive practices from the COVID-19 research study across the various areas of focus of the study. Furthermore, this section provides an overview of the proposed recommendations for the Study.

### 5.1 Positive Practices

Positive practices highlight key positive findings across the various areas of focus of the study. These findings along with the recommendations may be used to inform the way forward for the banking and alternative banking sector.

**Table 5-1: Positive Practices**

#	Positive Practice
1	As a result of the national lockdown, organisations were required to transition to working remotely, with only essential service staff remaining onsite. This had several implications on the ability of employees to provide effective service delivery. Various resources were required to enable this, including technological infrastructure such as laptops and UPSs. Where organisations were able to supply these to their employees, it was found that service delivery levels were maintained.
2	Some organisations introduced and/or adopted virtual engagement platforms, including MS Teams, Zoom, Cisco Jabber and “Live Assist” software in order to be able to maintain consistent engagement and provide assistance to their clients from remote locations.
3	The introduction of remote and hybrid working models appeared to improved flexibility in the operations of the organisations; as well as productivity, morale and the overall wellbeing of employees in the banking sub-sector.
4	The use of online platforms appears to have improved the sharing of information between clients and organisations and allowed organisations to reach wider audiences.
5	Certain banking and alternative banking institutions partnered with institutions of higher learning in order to secure relevant training for their employees from these higher learning institutions.
6	Organic and proactive strengthening and growth of skills relevant to changes in business practices (e.g. remote working, increase in online transacting) in response to COVID-19.

### 5.2 Recommendations

The table below provides recommendations for BANKSETA to consider in light of the impact of COVID-19 on the banking and alternative banking sector and also includes the rationale informing each recommendation. Ultimately, proposed recommendations were based on addressing the key objectives of the Project, as well as the key insights emerging from the fieldwork research findings.

**Table 5-2: Recommendations**

#	Recommendation	Rationale
1	Consider supporting and enabling the increased adoption of online training, which has become more prevalent since the inception of COVID-19.	<ul style="list-style-type: none"> <li>Online training has become a ‘go-to’ training delivery mechanism for the sector, which has, to a large extent, been encouraged by conditions prevalent during the COVID-19 pandemic. Furthermore, it appears as though the adoption of online training is set to continue post the COVID-19 pandemic.</li> <li>Of the stakeholders consulted, 91% reported increased adoption of remote learning amongst education and training providers, and 73% proposed increasing access to skills development initiatives through online programmes.</li> </ul>



#	Recommendation	Rationale
		<ul style="list-style-type: none"> <li>Supporting the increased adoption of online training will require increased recognition of online training in BANKSETA’s skills planning, as well as support for online training delivery mechanisms, generation of online content, and the accreditation of online courses.</li> </ul>
2	Consider ensuring that key occupations identified in the wake of COVID-19 are accounted for in BANKSETA’s skills planning process.	<ul style="list-style-type: none"> <li>It is noted that 64% of stakeholders consulted indicated that new occupations had emerged as a result of the pandemic.</li> <li>The emerging occupations identified by this Project include Risk Managers (highlighted by 75% of stakeholders consulted), Cybersecurity Specialists (73%), and Client Engagement Managers (41%). On the other hand, it was noted that 64% of stakeholders believed that there were certain jobs that had become redundant as a result of the pandemic. These included Tellers (38%), Branch Managers (19%) and Call Centre Agents (13%).</li> </ul>
3	Consider ensuring that the skills needs identified in the wake of COVID-19 are accounted for in BANKSETA’s skills planning process.	<ul style="list-style-type: none"> <li>It is noted that 78% of stakeholders indicated that new skills had emerged as a result of the pandemic.</li> <li>Emerging skills identified through this Project include digital skills (flagged by 83% of stakeholders consulted), cybersecurity skills (67%), client relationship management skills (54%) and emotional intelligence (51%). Stakeholders further identified skills such as the ability to manage individuals and teams in a remote working environment and occupations/skills that place focus on the wellness of employees as emerging.</li> </ul>
4	Consider accelerating the accreditation of new qualifications and online short courses, in support of emerging qualifications as well as the preference for online training following the COVID-19 pandemic.	<ul style="list-style-type: none"> <li>It is noted that 71% of stakeholders consulted favoured increasing the number of skills development programmes currently available.</li> <li>BANKSETA could play a pivotal role in ensuring that new qualifications (such as those noted in this section and more broadly in this report) and online short courses are accredited by collaborating with relevant parties such as Employers, Training Providers and SAQA.</li> </ul>
5	Consider exploring mechanisms through which BANKSETA can promote access to relevant devices and connectivity that may serve to bridge the ‘digital divide’, thus enabling equitable access to virtual and online learning, which has become more prevalent due to COVID-19.	<ul style="list-style-type: none"> <li>In the South African context, the COVID-19 pandemic exacerbated existing weaknesses related to the manner in which education and skills training initiatives are provided to learners. Particular challenges hampering the ability to provide training during the pandemic included learner’s lack of access to adequate technology/digital infrastructure (62%), lack of digital infrastructure to provide education and training initiatives online (59%), and inadequate digital skills amongst learners and training providers (49%).</li> <li>The availability of inexpensive and free training content will move the financial emphasis from the number of learners to device and data access.</li> <li>While it is noted that BANKSETA cannot directly fund or provide the required equipment, BANKSETA could potentially explore facilitating sponsorships (e.g., big banks providing sponsorships for smaller organisations within the banking and alternative banking sector) as well as public private partnerships to potentially expand the number of learners with access to devices and data.</li> <li>At a policy level, BANKSETA could, along with other SETA’s, lobby for increased support for online access for employees, particularly in smaller banking businesses, on the next revision of the ICT Charter.</li> </ul>



#	Recommendation	Rationale
6	BANKSETA may consider introducing industry wide skills development initiatives to enable rapid and accessible skills development in response to specific skills needs surfacing in the wake of COVID-19. For example, BANKSETA could arrange focused training interventions (i.e., interventions aimed at addressing specific skills needs), to build the core skills required by the sector following COVID-19.	<ul style="list-style-type: none"> <li>• Examples of skills that are in high demand post COVID-19 are those related to cybersecurity, due to the increased risk of cybercrime. While the accelerated adoption of digital transactions was seen as a positive consequence of the COVID-19 pandemic, it created a platform for increased fraudulent activity, which is evidenced by statistics which indicate that online impersonation fraud increased by 337%, digital banking fraud by 33% and debit card fraud by 22% (The Insurance Crime Bureau , 2021).</li> </ul>
7	Consider implementing interventions aimed at ensuring that training providers are capacitated in line with the changes in training delivery and training content emerging from the COVID-19 pandemic.	<ul style="list-style-type: none"> <li>• Stakeholders consulted suggested that training providers be upskilled in line with the requirements and standards of the sector post COVID-19.</li> <li>• BANKSETA could consider making adjustments to training provider qualifying criteria accordingly, on application (initial and renewal) for accreditation.</li> <li>• BANKSETA could introduce relevant learning programmes for training providers, either through funding windows or as national training interventions introduced by the SETA.</li> <li>• Stakeholders consulted indicated an increased adoption of remote learning amongst education and training providers (91%), increased need for ICT/digital technology skills (85%), and increased flexibility in training schedules (67%).</li> <li>• BANKSETA could consider pursuing partnerships (e.g., with software development firms) and sponsorships (e.g., with connectivity providers such as Vodacom) to assist those training providers that cannot afford access to the computer hardware, connectivity, and online content development required to support online training. While it is noted that this is likely outside the mandate of BANKSETA, it would assist training providers decimated by the financial consequences of COVID-19 to access financial and other resources, either through sponsorship, partnership or mergers and acquisitions.</li> <li>• At a policy level, BANKSETA could, along with other SETA's, lobby for increased ICT support for training providers on the next revision of the ICT Charter.</li> </ul>
8	BANKSETA should consider promoting partnerships that enable the timeous match between emerging skills needs and skills supply, drawing on positive practices of this nature during COVID-19.	<ul style="list-style-type: none"> <li>• Certain banking and alternative banking organisations partnered with institutions of higher learning in order to secure relevant training for their employees from these higher learning institutions during COVID-19, a positive practice that should be emulated going forward.</li> <li>• Furthermore, it is noted that 66% of stakeholders consulted proposed facilitating relationships between training providers and employers to improve the integration from learning to the workplace.</li> </ul>
9	Aim to ensure that assessor and moderator capabilities keep pace with changes in training delivery and training	<ul style="list-style-type: none"> <li>• BANKSETA could support relevant training (e.g., ICT skills) for assessors and moderators through internal training, funding windows, or national training interventions.</li> </ul>



#	Recommendation	Rationale
	content following on COVID-19.	
10	From a strategic and operational perspective, BANKSETA should take cognisance of the changes that need to be made to allow BANKSETA to implement the recommendations relating to this Project (should BANKSETA choose to implement these recommendations). For example, with regard to enhancing stakeholder engagement, it is believed that engagement with its stakeholders would be improved if BANKSETA as an organisation mirrors the changes in the business model and operations of the sector (e.g., virtual interactions); stemming from COVID-19.	<ul style="list-style-type: none"> <li>• One of the main impacts of COVID-19 on organisations within the banking and alternative banking sector was the accelerated adoption of alternative processes and ways of working. This included the introduction of remote working for employees as well as remote engagement with clients. Organisations within the sector had to adopt proactive approaches to client engagement, which was facilitated through the leveraging and/or the enhancement of already existing virtual transacting mechanisms such as mobile banking applications and chatbots.</li> <li>• As a result of the shift to a more remote or digital model of working and engaging with clients, some organisations reduced their physical footprint, in an attempt to improve efficiencies and reduce costs.</li> <li>• The introduction of remote and/or hybrid working models appeared to have improved flexibility in the operations of various organisations within the sector; as well as productivity, morale, and the overall wellbeing of employees within the banking sub-sector.</li> <li>• The above observations underline the opportunity for BANKSETA to adopt changes in workplace arrangements and client engagement practices in the sector, in order to better align to the sector that it serves and to realise similar organisational benefits (e.g., cost savings, increased flexibility).</li> </ul>
11	As part of its research agenda, BANKSETA may consider conducting further research on several topics identified through the key findings from this Study	<ul style="list-style-type: none"> <li>• Topics that may be explored include:                             <ul style="list-style-type: none"> <li>○ A skills gap analysis aimed at identifying the current skills amongst training providers and the skills required in order to provide training in an increasingly virtual environment</li> <li>○ How training courses in the banking and alternative banking sector need to be adapted as a result of COVID-19</li> <li>○ Consider the implications of increasing the number of digital and online training initiatives in light of the digital divide.</li> </ul> </li> </ul>



## 6 Conclusion

The main purpose of this Project was to determine the impact that the COVID-19 pandemic had on the banking and alternative banking sector, as well as the impact that the pandemic had on skills development within the sector. The study revealed a range of key insights regarding the impact of COVID-19 on the banking and alternative banking sector. For example, it appears that the pandemic had an impact on the operating models of many major banks within the banking and alternative banking sector, with many banks needing to adopt a more digital approach in response to the pandemic, resulting in accelerated digitisation. This accelerated digitisation was necessitated by the need to ensure that organisations within the sector were able to continue providing their services to their clients and entailed the introduction of digital banking systems, such as mobile banking applications and chatbots, the introduction of digital technology and the reduction of physical branches.

The research revealed that one of the main factors that contributed to the need for organisations to enhance their digitisation was the adoption of remote working by organisations in the sector, which was introduced in response to the COVID-19 enforced lockdown. In order to ensure that staff members were equipped with the adequate tools to work remotely, employers within the sector provided remote working staff with technological equipment, such as laptops and UPS's, to enable operations to continue. This also entailed the introduction of virtual platforms for engagement purposes, including MS Teams, Zoom, Cisco Jabber, as well as 'Live-Assist.' The use of these platforms meant that bank employees could continue working as usual, and also allowed for engagement with clients during the lockdown.

It appeared that the adoption of remote working, as well as use of the associated tools, ultimately resulted in increased operational flexibility for organisations within the sector. In addition to operational benefits, it appeared that for organisations in the banking sub-sector these innovations improved productivity, morale and the overall wellbeing of employees, it also allowed organisations to reach wider audiences.

It is important to note, however, that the shift to a more digital operating model was not without its challenges, as many organisations had to ensure that employees were equipped with the relevant skills to successfully perform within a remote model. This was reflected in the research findings, with respondents indicating that skills such as digital literacy, data analytics, strong oral and communication skills, adaptability, time management, and technical skills were required. As a result of these requirements, organisations were required to ensure that their employees were skilled accordingly by either upskilling or reskilling them. Another challenge faced was the increased risk of fraud, as well as cybersecurity risks due to rapid digitisation. This was apparent in the literature, with research indicating that online impersonation fraud increased by 337% in 2020 alone. Interviews with stakeholders further confirmed the view that there was increased cybersecurity risk as a result of the new technology that organisations had implemented.

The research further found that the COVID-19 pandemic had an impact on client needs, with clients requiring more convenient, personalised and accessible banking services. Organisations within the banking and alternative banking sector had to, therefore, reassess and adapt their approach to addressing client needs.

From a skills development perspective, the research found that in terms of jobs and skills, 78% of stakeholders believed that new skills had emerged as a result of the pandemic, while 64% believed that new occupations had emerged. Emerging skills identified included digital skills (83%), cybersecurity skills (67%), client relationship management skills (54%) and emotional intelligence



(51%). The emerging occupations included risk managers (75%), cybersecurity specialist (73%), and client engagement managers (41%). The findings relating to emerging skills and occupations should be considered by the BANKSETA, and ideally, accounted for in BANKSETA's skills planning process.

With regard to the impact of COVID-19 on training and educational initiatives, it was found that there was increased adoption of remote learning amongst education and training providers (91%), increased need for ICT/digital technology skills (85%), increased flexibility in training schedules (67%), and an increased need for ICT training initiatives (55%). While the research indicates that there is increased need for online training initiatives, these findings need to be considered in light of the South African context, particularly when considering that the COVID-19 pandemic exacerbated existing weaknesses/challenges regarding the manner in which education and skills training initiatives are provided to learners. Some of these challenges were flagged through the research, with 67% of stakeholders noting that the pandemic had either significantly or extensively impacted the ability of their organisation to provide training. Other challenges included learner's lack of access to adequate technology/digital infrastructure (62%), lack of digital infrastructure to provide education and training initiatives online (59%), and inadequate digital skills amongst learners and training providers (49%).

In terms of the manner in which BANKSETA can improve skills development within the sector, stakeholders indicated that the SETA should place emphasis on ensuring that training providers are adequately upskilled in order to ensure that they have the ability to provide training on emerging skills. Other suggestions were for BANKSETA to facilitate relationships between training providers and employers to improve the integration from learning to the workplace (66%).

In conclusion, the key findings emerging from the report highlight the need for BANKSETA to accelerate the accreditation of online courses, given the increased prevalence of such courses. However, the study also highlighted the fact that careful consideration needs to be given to the existing challenges in the provision of education and training, as well as the role that BANKSETA may play in terms of increasing access to online courses within the sector. Furthermore, the study highlighted the skills that are required, as well the occupations that need to be filled within the banking and alternative banking sector post COVID-19. BANKSETA should, therefore, carefully consider the findings and recommendations stemming from this report in order to strengthen the effectiveness of the skills planning process, and to ensure that the sector is responsive to the impact of COVID-19.

## 7 References

- Absa Bank. (2020). *Absa Digital Card is a safe cardless way to shop online*. Retrieved 2022, from <https://www.absa.co.za/self-service/tools-to-do-your-banking/absa-digital-card/>
- Ahmed, S. (2020). *How COVID-19 exposes the defects in South Africa's digital economy*. Retrieved December 1, 2021, from <https://researchictafrica.net/2020/03/26/how-covid-19-exposes-the-defects-in-south-africas-digital-economy/>
- Allais, S. (2021). *Covid-19 has worsened SA's system of developing the skills of young people*. Retrieved November 30, 2021, from <https://www.wits.ac.za/covid19/covid19-news/latest/covid-19-has-worsened-sas-system-of-developing-the-skills-of-young-people.html>
- BANKSETA. (2022). *Sector Skills Plan*. Retrieved May 31, 2022, from <https://www.bankseta.org.za/wp-content/uploads/2021/03/BankSETA-SSP-web.pdf>
- BANKSETA. (2022). *www.bankseta.org.za*. Retrieved May 31, 2022, from <https://www.bankseta.org.za/about-us/stakeholders/strategic-focus-areas/>
- Barre, W. (2021, March 28). *Advisor News*. Retrieved from [insurancenewsnet.com: https://insurancenewsnet.com/article/covid-19-pandemic-has-changed-the-banking-industry](https://insurancenewsnet.com/article/covid-19-pandemic-has-changed-the-banking-industry)
- Barrios, M., & Pitt, L. (2021). *Mindfulness and the challenges of working from home in times of crisis*. Retrieved from Science Direct : <https://www.sciencedirect.com/science/article/pii/S0007681320301191?via%3Dihub>
- Bellens, J., Pogson, K., Bedford, D., & Meekings, K. (2020). *Banks must look beyond the pandemic and use this crisis as a basis to reimagine their role in the new reality that awaits*. Retrieved June 27, 2022, from [https://www.ey.com/en\\_gl/banking-capital-markets/how-banks-can-successfully-emerge-from-covid-19](https://www.ey.com/en_gl/banking-capital-markets/how-banks-can-successfully-emerge-from-covid-19)
- BeyondCOVID. (2020). *BeyondCOVID Playbook*. Johannesburg.
- Business Tech. (2021). *BusinessTech*. Retrieved 11 29, 2021, from <https://businesstech.co.za/news/business/530028/heres-a-look-at-hotel-occupancy-rates-in-south-africa/>
- Business Tech. (2021, July 5). *One of South Africa's biggest banks is making a permanent work-from-home shift*. Retrieved from Business tech: <https://businesstech.co.za/news/banking/503257/one-of-south-africas-biggest-banks-is-making-a-permanent-work-from-home-shift/>
- BusinessTech. (2020). *South Africa facing jobs bloodbath as banks hold off on any further layoffs*. Retrieved June 24, 2022, from <https://businesstech.co.za/news/banking/396093/south-africa-facing-jobs-bloodbath-as-banks-hold-off-on-any-further-layoffs/>
- BusinessTech. (2021). *businesstech*. Retrieved May 31, 2022, from <https://businesstech.co.za/news/industry-news/466855/why-digital-banking-is-the-future-in-south-africa/>
- CATHSSETA. (2021). *Sector Skills Plan 2020/21- 2024/25*.
- Cennimo, D. J. (2021). *Medscape*. Retrieved December 1, 2021, from <https://www.medscape.com/answers/2500114-197401/what-is-covid-19>



- CIPPEC. (2017, March). *How can we monitor and evaluate policy influence?* Retrieved from [cippec.org: https://www.cippec.org/wp-content/uploads/2017/03/1692.pdf](https://www.cippec.org/wp-content/uploads/2017/03/1692.pdf)
- Coffman, J., & Reed, E. (2010). *Unique Methods in Advocacy Evaluation*. Retrieved from Point K : [http://www.pointk.org/resources/files/Unique\\_Methods\\_Brief.pdf](http://www.pointk.org/resources/files/Unique_Methods_Brief.pdf)
- Congressional Research Service. (2021, November 10). *Congressional Research Service*. Retrieved June 15, 2022, from [sgb.fas.org: https://sgp.fas.org/crs/row/R46270.pdf](https://sgp.fas.org/crs/row/R46270.pdf)
- Congressional Research Service. (2021, November 10). *Congressional Research Service*. Retrieved from [sgb.fas.org: https://sgp.fas.org/crs/row/R46270.pdf](https://sgp.fas.org/crs/row/R46270.pdf)
- Congressional Research Services*. (2021, June 11). Retrieved from Congressional Research Services: <https://crsreports.congress.gov/product/pdf/if/if11822>
- Cook, J., & Mumford, S. (2011, November 4). *Implementing Bellwether Methodology*. Retrieved from [comm.eval.org](http://comm.eval.org): <http://comm.eval.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=5f2b1a8c-beee-4fcf-a02b-0424f9dbdaf6>
- Daniel , R. (2020, July 29). *Is Remote The New Management Style? Discover how to navigate this journey*. Retrieved from People Factor: <https://peoplefactor.co.za/is-remote-the-new-management-style-discover-how-to-navigate-this-journey/>
- Deloitte . (2021). *Customer experience as the new standard – how can banks align* . Retrieved 2022, from <https://www2.deloitte.com/content/dam/Deloitte/de/Documents/financial-services/Deloitte%20CX%20in%20Banking%20English.pdf>
- Deloitte. (2017). *Risk and Compliance Jorunal*. Retrieved 2022, from <https://deloitte.wsj.com/articles/compliance-modernization-a-five-step-roadmap-1500264133>
- DHET. (2022). *Skills Supply and Demand in the SA Labour Market*. Retrieved 2022, from [http://www.dhet.gov.za/Planning%20Monitoring%20and%20Evaluation%20Coordination/Rreport%20on%20Skills%20Supply%20and%20Demand%20in%20South%20Africa%20-%202022%20\(1\).pdf](http://www.dhet.gov.za/Planning%20Monitoring%20and%20Evaluation%20Coordination/Rreport%20on%20Skills%20Supply%20and%20Demand%20in%20South%20Africa%20-%202022%20(1).pdf)
- Erasmus , A. (2020, December ). *Whitepaper: Remote Working* . Retrieved from GIBS : [https://www.gibs.co.za/about-us/faculty/documents/whitepapers/erasmus\\_remote%20working.pdf](https://www.gibs.co.za/about-us/faculty/documents/whitepapers/erasmus_remote%20working.pdf)
- Financial Sector Conduct Authority. (2020). *Banking and COVID-19*. Retrieved from [https://www.gov.za/sites/default/files/gcis\\_document/202005/5.%20Banking%20and%20Covid19.pdf](https://www.gov.za/sites/default/files/gcis_document/202005/5.%20Banking%20and%20Covid19.pdf)
- Financial Stability Board. (2022, March 21). *FinTech and Market Structure in the COVID-19 Pandemic*. Retrieved from Financaill Stability Board: <https://www.fsb.org/wp-content/uploads/P210322.pdf>
- Forster , B., Patlas, M., & Lexa , F. (2020, May 12). *Crisis Leadership During and Following COVID-19*. Retrieved from SAGE Journals : <https://journals.sagepub.com/doi/10.1177/0846537120926752>
- FSCA. (2022). *Financial Sector Outlook Study*. Financial Sector Conduct Authority.
- GoCardless. (2020). *What is business consolidation?* Retrieved June 29, 2022, from <https://gocardless.com/guides/posts/what-is-business-consolidation/>





- Govender, S. (2021). *Digital bank fraud lifts as SA moved online due to Covid-19, Sabric says*. Retrieved June 29, 2022, from <https://www.businesslive.co.za/bd/national/2021-09-29-digital-bank-fraud-lifts-as-sa-moved-online-due-to-covid-19-sabric-says/>
- Gwynne, S. (2020, March 26). *oliverwyman*. Retrieved from [www.oliverwyman.com](http://www.oliverwyman.com): <https://www.oliverwyman.com/our-expertise/insights/2020/mar/covid-19-corporate-banking.html>
- Han Hu, Quentin Jadoul, and Angelika Reich. (2021, August 17). *How banks can build their future workforce—today*. Retrieved from McKinsey and Company: <https://www.mckinsey.com/industries/financial-services/our-insights/how-banks-can-build-their-future-workforce-today>
- Holmberg, I., & Petrelius, P. (2020). *Leadership in the times of COVID-19*. Retrieved from Stockholm School of Economics : <https://www.hhs.se/en/research/sweden-through-the-crisis/Leadership-in-the-times-of-COVID-19-some-real-time-reflections-from-managers/>
- Hovsepian. (2020). *COVID-19 as a catalyst for closing the digital skills gap*. Retrieved 2022, from <https://www.bai.org/banking-strategies/article-detail/covid-19-as-a-catalyst-for-closing-the-digital-skills-gap/>
- Hu, H., Jadoul, Q., & Reich, n. (2021, August 17). *How banks can build their future workforce—today*. Retrieved from McKinsey and Company: <https://www.mckinsey.com/industries/financial-services/our-insights/how-banks-can-build-their-future-workforce-today>
- ILO. (2021). *Skills development in the time of COVID-19: Taking stock of the initial responses in technical and vocational education and training*. Retrieved November 30, 2021, from [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---ifp\\_skills/documents/publication/wcms\\_766557.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_766557.pdf)
- ILO. (2022, May 23). *ILO Monitor on the world of work. 9th edition*. Retrieved from International Labour Organisation: [https://www.ilo.org/global/publications/books/WCMS\\_845642/lang-en/index.htm](https://www.ilo.org/global/publications/books/WCMS_845642/lang-en/index.htm)
- IMF. (2022, February 20). *SOUTH AFRICA: FINANCIAL SECTOR ASSESSMENT PROGRAM - FINANCIAL SYSTEM STABILITY ASSESSMENT*. Washington, DC: International monetary Fund. Retrieved from [http://www.treasury.gov.za/comm\\_media/press/2022/2022021701%20FSAP%20Financial%20System%20Stability%20Assessment%20Feb%202022.pdf](http://www.treasury.gov.za/comm_media/press/2022/2022021701%20FSAP%20Financial%20System%20Stability%20Assessment%20Feb%202022.pdf)
- International Chamber of Commerce. (2020). *iccwbo.org*. Retrieved May 31, 2022, from <https://iccwbo.org/content/uploads/sites/3/2020/04/2020-icc-covid-response-banks-3.pdf>
- International Labour Office. (2020). *Skills Development in the time of COVID-19: Taking stock of the initial responses in technical and vocational education and training*. Geneva: International Labour Office.
- Jones, A. (2021, June 19). *HOW COVID-19 IS IMPACTING THE BANKING WORKFORCE*. Retrieved June 20, 2022, from internationalbanker.com: <https://internationalbanker.com/banking/how-covid-19-is-impacting-the-banking-workforce/>
- JT&A. (2021, January ). *The Role of The Skills Development Facilitator*. Retrieved from JT&A: <https://jtanda.co.za/the-role-of-the-skills-development-facilitator/#:~:text=Firstly%2C%20what%20exactly%20is%20a,between%20you%20and%20our%20SETA.>



- Kara, A. (2021, September 26). *Covid-19 Pandemic and Possible Trends for the Future of*. Retrieved January 21, 2022, from <https://files.eric.ed.gov/fulltext/EJ1308483.pdf>
- Kavas, Ike. (2021, March 15). *The Pandemic Has Changed Our Banking Habits -- Now Banks Must Change Theirs*. Retrieved from Forbes Technology Council: <https://www.forbes.com/sites/forbestechcouncil/2021/03/15/the-pandemic-has-changed-our-banking-habits-now-banks-must-change-theirs/?sh=62977c954917>
- Kiger, M., & Vapiro, L. (2020). Thematic Analysis of Qualitative Data. *Medical Teacher* .
- Landa, N., Zhou, S., & Marongwe, N. (2021). Education in emergencies: Lessons from COVID-19 in South Africa. *International Review of Education*, 67, 167-183.
- Maguire, M., & Delahunt, B. (2017). Doing a Thematic Analysis: A Practical, Step-by-Step Guide for Learning and Teaching Scholars . *All Ireland Journal of Teaching and Learning in Higher Education (AISHE-J)*.
- Mail & Guardian. (2020). *Covid-19 – Impact on Education, Skills Development and Training*. Retrieved November 30, 2021, from <https://mg.co.za/special-reports/2020-06-29-covid-19-impact-on-education-skills-development-and-training/>
- Mail&Guardian. (2021). *Covid-19 accelerates Capitec's move to digital banking*. Retrieved June 29, 2022, from <https://mg.co.za/business/2021-10-01-covid-19-accelerates-capitecs-move-to-digital-banking/>
- Majumdar, P. S. (2021). *Emerging Trends in ICT for Education &*. Retrieved January 21, 2022, from <https://unevoc.unesco.org/fileadmin/up/emergingtrendsinctforeducationandtraining.pdf>
- Michael Page. (2022). *Dramatic increase in remote working in South Africa*. Retrieved from MichaelPage Africa: <https://www.michaelpageafrica.com/advice/insights/latest-insights/dramatic-increase-remote-working-south-africa>
- MoneyWeb. (2021). *Should you ditch plastic and get a virtual bank card*. Retrieved from <https://www.moneyweb.co.za/moneyweb-opinion/soapbox/should-you-ditch-plastic-and-get-a-virtual-bank-card/>
- Mpungose, C. B. (2020). Emergent transition from face-to-face to online learning in a South African University in the context of the Coronavirus pandemic. *Humanities and Social Sciences Communication*, 7(113).
- Mzekandaba, S. (2020). *itweb.co.za*. Retrieved May 31, 2022, from <https://www.itweb.co.za/content/WnxpE74gPONvV8XL>
- Nedbank. (2022, June 27). *Introducing Avo by Nedbank*. Retrieved from Nedbank: <https://www.nedbankprivatewealth.co.za/content/private-wealth-sa/south-africa/en/info/Avo.html>
- OCHA. (2021, January 26). *ILO Monitor: COVID-19 and the world of work. Seventh edition*. Retrieved June 20, 2022, from <https://reliefweb.int/report/world/ilo-monitor-covid-19-and-world-work-seventh-edition-enardeiditjpnlptrutrvizh>
- Oertli, K. (2020, August 20). *World Economic Forum*. Retrieved from [www.weforum.org](http://www.weforum.org): <https://www.weforum.org/agenda/2020/08/how-digital-innovations-helped-banks-adapt-during-covid-19/>



- Parthasarathy, M., & Ram, K. (n.d.). *Tata Consultancy Services*. Retrieved May 31, 2022, from <https://www.tcs.com/content/dam/tcs/pdf/Industries/Banking%20and%20Financial%20Services/investment-banking-crisis-trends-resilience-strategy.pdf>
- PwC. (2018). *Digital Disruption in the South African Banking Sector*. Retrieved June 22, 2022, from <https://www.pwc.co.za/en/assets/pdf/strategyand-digital-disruption-in-sa-banking-sector.pdf>
- Resbank. (2022). *Fintech*. Retrieved 2022, from <https://www.resbank.co.za/en/home/quick-links/fintech#:~:text=Fintech%20is%20transforming%20business%20models,central%20bank%20Dissued%20digital%20currencies.>
- Resti, Andrea (Bocconi University). (2021, October). *Did the pandemic lead to structural changes in the banking sector*. Retrieved from European Parliament: [https://www.europarl.europa.eu/RegData/etudes/IDAN/2021/689460/IPOL\\_IDA\(2021\)689460\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2021/689460/IPOL_IDA(2021)689460_EN.pdf)
- Rustariyuni, S., Pudjihardjo, M., Burhan, M., & Satria, D. (2021). *Exploring the Effect of Covid-19 on Cooperative Financial Institutes in Bali*. Retrieved 2022, from <file:///C:/Users/Admin/Downloads/125968352.pdf>
- Simon, J., Helter, T. M., White, R. G., Van der Boor, C., & Łaszewska, A. (2021, February 08). Impacts of the Covid-19 lockdown and relevant vulnerabilities on capability well-being, mental health and social support: an Austrian survey study. *BMC Public Health*, pp. 1-15.
- Smith. (2022). The skills gap: Understanding the causes and making plans for improvement.
- Souvik. (2020, November 12). *Businesses Booming Covid-19*. Retrieved from [www.rswebsols.com](http://www.rswebsols.com): <https://www.rswebsols.com/bloggging/business/businesses-booming-covid-19-pandemic>
- Stoddard, E. (2022, January 30). *Gloomy Economy: IMF predicts slower global economic growth in 2022, warns of inflation*. Retrieved from Daily Maverick: <https://www.dailymaverick.co.za/article/2022-01-30-imf-predicts-slower-global-economic-growth-in-2022-warns-of-inflation/>
- Swiss School of Business Research. (2021). *6 Ways That Covid 19 Has Had A Positive Impact On Businesses*. Retrieved November 30, 2021, from <https://www.ssbr-edu.ch/6-ways-that-covid19-has-had-a-positive-impact-on-businesses/>
- The Insurance Crime Bureau . (2021). *Identity theft up by 337% in 2020, fraud summit hears*. Retrieved from SAICB: <https://www.saicb.co.za/news/2021/identity-theft-up-by-337-in-2020-fraud-summit-hears>
- UNCTAD. (2020). *Coronavirus outbreak has cost global value chains \$50 billion in exports*. Retrieved June 15, 2022, from <https://unctad.org/news/coronavirus-outbreak-has-cost-global-value-chains-50-billion-exports>
- Vidovic, Luka . (2022, February 11). *Industries Most and Least Impacted by COVID-19 from a Probability of Default Perspective - January 2022 Update*. Retrieved from SP Global ratings: <https://www.spglobal.com/marketintelligence/en/news-insights/blog/industries-most-and-least-impacted-by-covid-19-from-a-probability-of-default-perspective-january-2022-update>
- WHO. (2022). *WHO Coronavirus (COVID-19) Dashboard*. Retrieved June 6 , 2022, from World Health Organisation: <https://covid19.who.int/>



- Wingard, J. (2020, June 30). *www.forbes.com*. Retrieved from [www.forbes.com](https://www.forbes.com/sites/jasonwingard/2020/06/30/covid-19-is-crushing-business-3-sectors-with-the-most-casualties/?sh=64e703fc2d09):  
<https://www.forbes.com/sites/jasonwingard/2020/06/30/covid-19-is-crushing-business-3-sectors-with-the-most-casualties/?sh=64e703fc2d09>
- World Bank. (2021, July). *Skills Development*. Retrieved from World Bank:  
<https://www.worldbank.org/en/topic/skillsdevelopment#1>
- Yahoo Finance . (2021). *39% of businesses increased productivity with remote work during covid restrictions*. Retrieved December 12 , 2021, from <https://finance.yahoo.com/news/39-businesses-increased-productivity-remote-223900367.html>