NEW MANAGEMENT DEVELOPMENT MODELS IN THE BANKING AND ALTERNATIVE BANKING SECTOR

Final report

MZABALAZO advisory services

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ACRONYMS AND ABBREVIATIONS

AI	Artificial Intelligence
BANKSETA	Banking Sector Education and Training Authority
CIBC	Canadian Imperial Bank of Commerce
CFI	Co-operative Finance Institutions
DFI	Development Finance Institutions
Fintech	Financial Technology
HTFV	Hard to Fill Vacancies
HRD	Human Resource Development
ICT	Information and Communication Technology
IEDP	International Executive Development Programme
KSAs	Knowledge, Skills and Abilities
LDCs	Leadership Development Centres
NCR	National Credit Regulator
PSET	Post-School Education and Training
SSP	Sector Skills Plan
SGs	Skills Gaps
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
TVET	Technical and Vocational Education and Training
TFSA	Toronto Financial Services Alliance
VUCA	Volatile, Uncertain, Complex and Ambiguous
WSP	Workplace Skills Plan

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1 INTRODUCTION

This study commissioned by the Banking Sector Education and Training Authority (BANKSETA) looks at management development models within the banking subsector and alternative banking subsector.

According to Mintzberg's (1983) theory, one factor what distinguishes a successful organisation from an unsuccessful one is dynamic and effective management and leadership, which requires the organisation to possess skills and capabilities that allow it to respond to the changes in the environment. This is reaffirmed by Bagheri et al (2021) who states that having the necessary characteristics, traits, skills and competencies to respond to various life and work situations is the most fundamental factor in gaining a competitive advantage.

As the banking sector becomes more technologically advanced and Artificial Intelligence (AI) is able to analyse large amounts of data, it might be that the decisions managers need to make related to product offerings, risk avoidance and business operating procedures are easier. At the same time, arguments have been made that AI will not replace the human element. In fact, managers may need to acquire skills in order to work with new technologies and to remain competitive.

1.1 Purpose of the study

The purpose of the research study is to identify skills that would equip the managers and executives within the banking and alternative banking subsectors with what is needed to fit the current demands. The aim is to assess how the work of managers in the traditional and alternative banking subsectors is changing and whether these changes require new skills and training. Additionally, the study aims to look at management development models used to develop leaders in the banking sector.

Research questions:

- How is the job of the manager in the banking and alternative banking subsectors changing?
- What new skills do managers in the banking sector require?
- Will technologies make the jobs of managers redundant in the near to long future?
- Which management development models are appropriate to use in the banking and alternative banking subsectors?

2 BACKGROUND

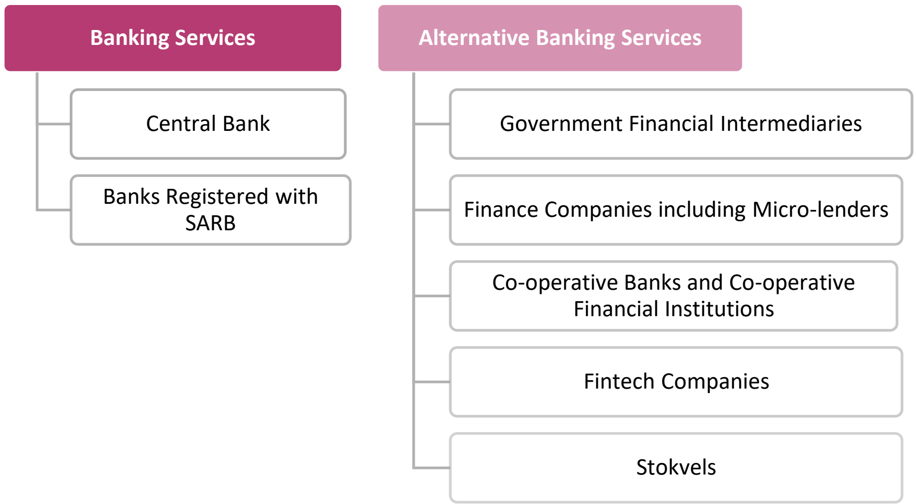
2.1 The banking and alternative banking sector

The financial and business services sector, as classified by Statistics South Africa (StatsSA), consists of all entities that manage money. Generally, it consists of the following institutions: banks, insurers, asset managers, stock brokerages, credit unions, micro-financiers and any other private or public sector companies capable of extending credit or other financing activities. The financial services sector can be categorised into three subsectors: Banking and credit services; Insurance; and Investment (BANKSETA SSP, 2021). The financial and business services sector encompasses the banking sector.

Although not formally dissected into subsectors, BANKSETA, in general, refers to the banking and alternative banking subsectors. The banking subsector comprises all banks that are registered with the South African Reserve Bank (SARB) and are in the possession of a banking licence while the alternative banking subsector focuses primarily on lending and savings institutions that are both formal and informal at a micro-level.

The figure below, taken from the BANKSETA SSP (2021) provides more detail:

Figure 1: Subsectors in banking



Source: BANKSETA SSP, 2021

Currently, the South African banking subsector is comprised of:

- 18 registered banks
- 2 mutual banks
- 14 local branches of foreign banks
- 43 foreign banks with approved local representative offices.

The alternative banking subsector comprises:

- over 10 development finance institutions (DFI)
- 4 co-operative banks
- 25 registered co-operative finance institutions (CFI)
- a large number of credit providers, credit bureaus and debt counsellors registered with the National Credit Regulator (NCR)

- over 100 financial technology (Fintech) companies
- over 800 000 stokvels operating throughout South Africa.

"The BankSETA employers fall within two typologies: super-large corporate banks that provide employment to almost 96% of the sector and small, medium and micro enterprises each employing a handful of people. To ensure that all employers irrespective of their sizes are provided with an opportunity to access skills development, the BANKSETA addresses skills needs of the sector by classifying the sector into the banking and alternative banking subsectors as well as into small, medium and large companies" (BANKSETA SSP, 2021).

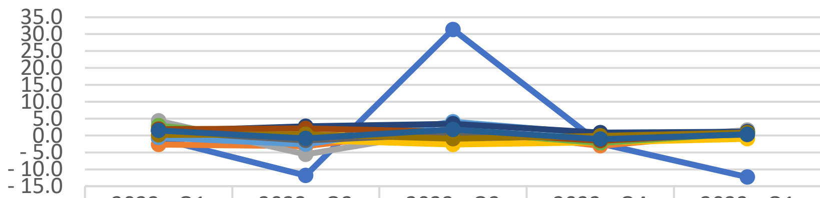
As reaffirmed by Jivan (2020), the sector includes a number of large and smaller banks. This is in terms of their relative weight of banking assets, retail banking market share and client base. The large 'big-five banks' are Standard Bank, Nedbank, First National Bank (which is part of the First Rand group), ABSA Bank and Capitec Bank. The smaller banks include African Bank, PostBank and UBANK Limited.

The above banks host their own leadership development programmes. Along with these banks' programmes, the BANKSETA funds a sector-wide executive development programme, which aims to focus on historically disadvantaged individuals. The BANKSETA International Executive Development Programme (IEDP) is hosted at a local business school. It presents a stable, long-standing programme iterated over several years (Jivan, 2020). These programmes will be discussed in sections to come.

2.1.1 Economic performance of the sector

As stated above, the banking and alternative banking subsectors form part of the finance sector. The figure below shows that, apart from the agricultural sector, generally the economy remained stable between 2022Q1 and 2023Q1.

Figure 2: GDP growth, 2022Q1-2023Q1



	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Agriculture, forestry and fishing	- 0.9	- 11.8	31.4	- 2.4	- 12.3
Mining and quarrying	- 2.6	- 3.1	1.9	- 3.0	0.9
Manufacturing	4.3	- 5.6	1.6	- 1.2	1.5
Electricity, gas and water	2.5	- 1.4	- 2.6	- 2.0	- 1.0
Construction	- 0.6	- 2.6	4.1	0.4	1.1
Trade, catering and accommodation	2.9	- 1.1	1.2	- 2.2	0.7
Transport, storage and communication	1.3	2.7	3.4	0.9	1.1
Finance, real estate and business services	1.9	2.1	1.1	- 1.6	0.6
General government services	1.3	- 1.5	0.4	- 0.7	0.2
Personal services	0.2	0.3	- 1.0	- 0.1	0.8
GDP at market prices	1.5	- 0.8	1.8	- 1.1	0.4

Source: StatsSA 2023Q1

GDP growth in the finance sector increased between 2022Q1 and 2022Q2 by 0.2 percentage points before declining significantly to -1.6% in 2022Q4. Between 2022Q4 and 2023Q1, GDP growth increased by 2.2 percentage points reaching 0.6% in 2023Q1. GDP growth in the economy as a whole was 0.4% in 2023Q1. The main contributors to national GDP growth were the manufacturing (0.17), finance (0.15) and personal services (0.13) sectors.

Table 1: Liabilities and assets of banks and mutual banks, 2022

Bank and Mutual Banks (R millions)	Sep, 2022	Oct, 2022	Nov,2022	Dec,2022
Deposits by residents	**5,052,277**	**5,085,606**	**5,149,238**	**5,144,681**
Deposits by non-residents	**246,838**	239,234	231,112	240,813
Total deposit liabilities	**5,299,115**	**5,324,839**	**5,380,350**	**5,385,494**
Loans received under repurchase agreements	**175,472**	204,976	198,618	189,861
Total liabilities to the public	**6,068,923**	**6,134,546**	**6,166,216**	**6,170,388**
Total equity	**537,224**	**531,841**	**542,157**	**547,704**
Cash reserve balances with the Reserve Bank	**135,575**	138,251	142,993	141,929
Treasury bills discounted	**397,702**	386,917	375,754	373,717
Land Bank bills and promissory notes discounted	**147**	147	147	147
Other bills discounted, including bankers' acceptances	**24,817**	28,188	25,342	21,638
Advances to the domestic private sector	**4,003,248**	**4,003,206**	**4,038,906**	**4,055,822**
Total deposits, loans and advances	**4,916,026**	**4,967,608**	**4,976,456**	**5,010,287**
Short-term government stock	**236,42**	2252,252	233,729	237,02
Long-term government stock	**508,678**	519,859	556,859	544,241
Total investments and bills discounted	**1,887,431**	**1,889,577**	**1,820,984**	**1,771,728**
Total assets	**7,274,325**	**7,316,141**	**7,280,602**	**7,238,256**

Source: SARB, 2023

The table above shows the financial position of banks and mutual banks in the country. The total liabilities to the public were R6.2 trillion in December 2022. It has been steadily increasing since September 2022.

Total equity increased between October 2022 to December 2022, from R531.8 billion to R547.7 billion whereas total assets declined during the same time period. Total assets for banks and mutual banks declined from R7.3 trillion in October 2022 to R7.2 trillion in December 2022.

BOX: Definitions

Management

Management is referred to as the level of supervision between ordinary members of an organisation and the organisational leaders. The critical function of managers is to translate the objectives of their superiors and/or shareholders into effective actions to achieve those objectives. They are charged with the application of strategic principles to the day-to-day process of completing the job in the most efficient manner. If there are no objectives or strategies coming from above, they should create their own. Managers act as problem-solvers and facilitators (SHRM, n.d). Bagheri et al (2021) states that management is created by the existence of the organisation, and on the other hand, the survival of the organisation depends on the management, and these two are necessary for each other.

Mabey (2007) discusses the distinction between managers and leaders. The author states that “the idea of separating the qualities of leaders and managers can be traced back to an influential paper by Zaleznick (1977), in which he depicts the manager as “a rational, bureaucratic, dutiful, practical and unimaginative dullard but the leader as a visionary, restless, experimental, even twice-born dynamo”. However, the changing nature of work in recent years with managers having less defined roles such as planning, budgeting, controlling, staffing and problem solving and with different patterns of working such as: working from home, contract work, and outsourcing, calls for a more flexible management style incorporating aspects of managers and leaders. Most staff with responsibilities within organisations whether they be project managers or supervisors will be called upon to lead or follow at different times in their job. Similarly, managers in banking and alternative banking sectors possess both management and leadership characteristics.

Managerial skills

Katz (1974) defines skill “as an ability which can be developed, not necessarily inborn, and which is manifested in performance, not merely in potential”.

Similarly, Bagheri et al (2021) states that a managerial skill is the ability of the manager to achieve a particular goal through their actions. Managerial skills need to be constantly developed because of the constantly changing world of work. Technological changes result in changes in the networks and practices of organisations, and any change requires the acquisition of new knowledge and skills. To effectively and efficiently manage, managerial skills that can be used to achieve organisational goals in different situations and positions are needed.

Also, Otoo (2019) states that equipping employees with additional or new knowledge and skills is associated with positive organisational outcomes. This is because training and development enhances the skills and competences of employees which in turn increase their productivity and performance.

Mabey (2007) looks at which skills are important for managers to have in different cultures. To mention a few:

- the attributes necessary for senior management and leadership in South East Asia include patience, sincerity, honesty, consensus, flexibility and a willingness to learn.
- Leadership and management in Japan are centred on power and knowledge relations in which the “common instinct” is generated by long-term interaction amongst insiders guides practice.
- British managers emphasize the need for communication and interpersonal skills and see the business primarily as a network of relationships demanding negotiation, influencing skills and image promotion.

- German managers emphasize individual creativity and to see the organisation as based on competence, rationality, knowledge and technical expertise.
- French managers emphasise the importance of being recognised as "high potential" and see the organisation as based on power, authority and political trade-offs.

An organisation called the Greater Good published an article on how to become a manager in a bank in South Africa[1]. The authors listed skills required by a South African bank manager. These are:

- Verbal communication skills.
- Business management skills.
- Customer service skills.
- Leadership skills
- Accounting and Economics knowledge.

This shows that managers require different skills in different cultures and will thus need distinctive ways of identifying, grooming, and developing.

Management development

"The training of managers should be an ongoing process, even as managers become proficient at basic levels of business acumen. All managers should be concerned with management development—in terms of both their own and their subordinates' advancement" (SHRM, n.d).

There are different paths to becoming a manager, some become managers through ranks, others through outside accomplishments possibly already at a management level with college degrees. Managers must have certain knowledge, skills and abilities (KSAs) to be able to achieve organisational goals and engage employees (SHRM, n.d). If they do not have the capabilities before becoming a manager, they would need training and further development.

Management development is referred to as the systematic process of creating effective and efficient managers. It enables managers from any level to become effective managers and to enhance within the organisation. The process is both academic and practical. The approach of a particular organisation to management development should include a variety of techniques focussing on areas such as employee behavioural differences, verbal and nonverbal communication, and conflict management, amongst others (SHRM, n.d).

Furthermore, "management development is a planned, systematic and continuous process of learning and growth designed to induce behavioural change in individuals by cultivating their mental abilities and inherent qualities through the acquisition, understanding and use of new knowledge, insights and skills as they are needed for effective management" (Sakshi, n.d)[2].

Isiaka (2011) defines management development as "self-development". As the author states, management development is concerned with developing the skills of the manager over his or her career with the organisation.

Mabey (2007) defines management development as "the process by which individuals improve their capabilities and learn to perform effectively in managerial roles". Mabey (2007) discusses the distinction between management training, management education and management development. According to

[1] https://www.myggsa.co.za/how-to-become-a-bank-manager-in-south-africa/
[2] https://www.economicsdiscussion.net/human-resource-management/methods-of-management-development/31735

Mabey (2007), with training the onus rests with the employer to train their workforce and address skills gaps. Training is job specific. To clarify, Isiaka (2011) states that training is a programme designed to improve the employee's performance through the learning of job skills.

Management education is largely provided by university and management schools. It tends to be more theoretical, including the academic disciplines relevant to management and is predominantly delivered by classroom and distance learning methods. However, development entails cultivating leadership talent with the manager taking on increasing responsibility for engaging in life-long learning and possibly developing multiple careers (Mabey, 2007). Similarly, Isiaka (2011) states that development refers to teaching managers and professionals the skills needed for both current and future jobs. Development is broader, covering a range of methods including on the job and off the job development approaches (Mabey, 2007).

According to Faridi and Baloch (2019) development is concerned with knowledge, attitudes, values, behaviours in addition to skills. It is a continuous process to perfect existing knowledge, abilities, and skills.

2.2 Structure of report

The report has 7 sections. Section 1 introduces the study. Section 2 provides the background to the study including a description of the sector and key definitions. Section 3 discusses the methodology which was a mixed method including both quantitative and qualitative approaches. Section 4 looks at the trends in employment of the manager occupational category. This is followed by Section 5 which discusses how the job of the bank manager in the banking and alternative banking subsectors are changing. Section 6 looks at management development models and discusses the approach to upskill managers in the banking and alternative banking sectors. Section 7 concludes the study and provides recommendations.

3 METHODOLOGY

The study used a mixed methodology utilising both primary qualitative as well as primary and secondary quantitative research methods. For this study semi-structured interviews were conducted, a survey was administered, and secondary data analysis was conducted. This will be elaborated on below.

The process was as follows:

3.1 Literature review

The study started with desk research which was used to develop a literature review. The literature review covered the broad themes below:

- Introduction and definition of key terms.
- International trends - Management Development Models in the banking sector.
- South African contextual change drivers affecting the jobs of managers in the banking sectors.
- Review of secondary data from BANKSETA, StatsSA, amongst others, looking at trends in the number of managers in the banking and alternative banking sectors.
- Review of training programmes offered in the PSET sector and by private training providers that address the skills needs of managers in the banking sectors.
- Conclusion – with recommendations for refining the primary data collection phase.

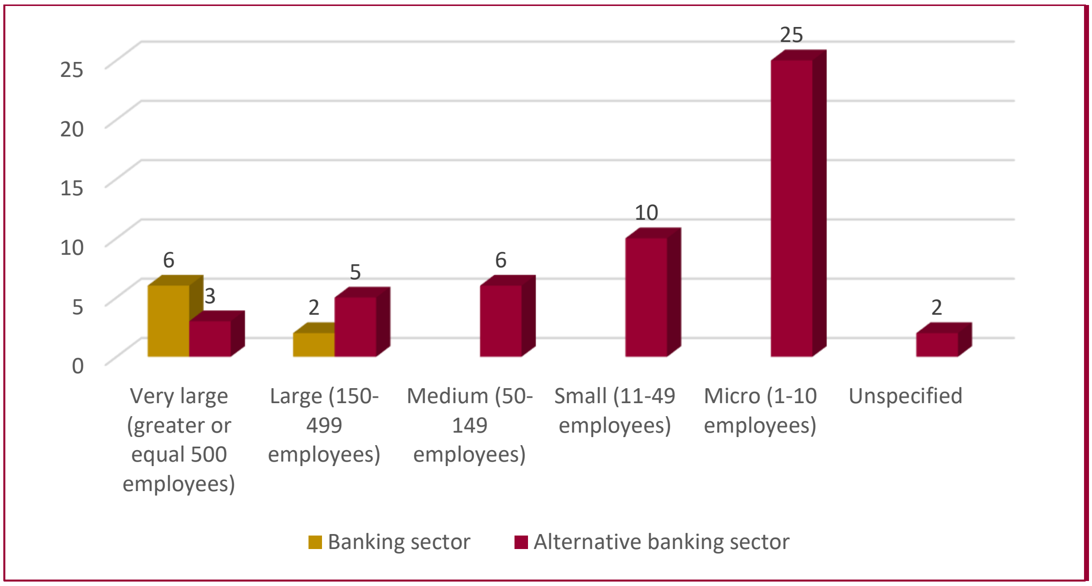
3.2 Conducting a Survey

The literature review was used as a basis to develop the survey instruments. Two surveys were developed: one for mainstream banks and one for the alternative banking employers.

The survey instruments were developed on the Survey Monkey platform. A list of employers from the BANKSETA database with their contact details was used. Emails and SMSs was sent to all of the employers on the database, provided the contact details were accurate. There was no sampling technique used. The survey was sent out to 619 alternative banks and 54 traditional banks on the BANKSETA database. Of the 619 alternative banks, 51 responses were received, and of the 54 traditional banks, 8 responses were received. Some employers skipped certain questions and as such, not all employer responses are represented in each question. An analysis of the respondents to the survey is provided below.

The figure below shows the size of the banking sector and alternative banking sector employers who responded to the survey.

Figure 3: Size of banking and alternative banking sector employers



Source: BANKSETA survey, 2023

Banking sector employers who responded to the survey are predominantly very large (N=6) and large (N=2). Alternative banking sector employers who responded to the survey are small (N=10) and micro (N=25).

3.3 Conducting Interviews

The literature review and the survey were used as a basis to develop interview instruments. Semi-structured interviews were conducted with key stakeholders in the sector including employers, training providers, as well as representative bodies in the banking sector. These semi-structured interviews contextualised the quantitative data and provided details on which skills are needed by managers and management development models. These instruments were tried and tested, further developed based on feedback, and approved. The instruments are included in Annexure 1.

A matrix of key informants was developed and agreed with the SETA prior to interviews taking place. An introduction letter was developed to facilitate introductions with the research team and participants.

3.3.1 Sampling method

For this study, interviews were conducted with 3 groups of stakeholders: employers, training providers, and associations.

In terms of banking sector employers, the aim was to interview all the locally controlled banks (14 banks). Interview requests were sent to these banks, of which 6 requests were accepted and 6 interviews were conducted. For alternative banking sector employers, 6 organisations were randomly selected covering 2 small, 2 medium and 2 large size employers. Interview requests were sent to which 2 organisations accepted and conducted the interviews. In total, 8 employers were interviewed.

For training providers, 16 organisations on the BANKSETA database were selected and 5 interviews were conducted.

For industry organisations, desk research was conducted to determine which are the key associations representing the sector. From the desk research, 17 organisations were identified, and an attempt was made to interview all. However, only 4 interviews were completed.

The interview sample was intended to be informative rather than representative - we looked for people who could provide insights and explanations. All qualitative interviews were recorded, summarised, and analysed. A thematic analysis was conducted capturing key themes. The findings from the analysis were linked to the research questions.

3.4 Consolidation of findings and writing of draft report

The approach and methodology were designed to achieve a level of triangulation: establish what we know from the literature, add and enhance using a survey, and conduct qualitative interviews to verify what is known, fill gaps, explain and explore solutions. In doing so, there is a level of triangulation that enables the research to make findings, draw conclusions and make recommendations.

All the different streams of research, including the literature review, interviews and survey were analysed and used to develop the draft report.

3.5 Limitations

A key limitation of this study is the low response rate received from both alternative and traditional banks in the interview and survey processes. For the survey, 619 alternative banks were contacted and only 51 responses were received. Similarly, 54 traditional banks were contacted and only 8 responses were received. A total of 59 survey responses (N=59).

With regards to the interview process, the research team aimed to interview 30 stakeholders in total, however, due to numerous scheduling conflicts and lack of responses, only 17 interviews were conducted. Nonetheless, key findings were drawn from the available responses in terms of the skills needed by managers and the management development models needed to upskill managers.

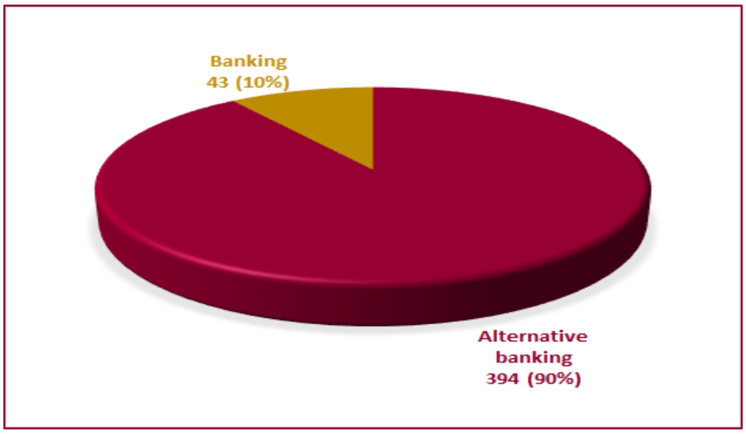
4 TRENDS IN EMPLOYMENT OF MANAGER OCCUPATIONAL CATEGORY

4.1 Employers and employees in the sector

4.1.1 Number of employers per BANKSETA subsector

According to the SARS Levy data, over 700 employers pay skills levies to the BANKSETA. The BANKSETA Workplace Skills Plan (WSP) data (2022) shows that there are 437 employers submitting WSPs to the SETA. The figure below shows that the large majority of employers are in the alternative banking subsector (394 or 90%), with only 43 (10%) employers in the banking subsector.

Figure 4: Number and proportion of employers per subsector

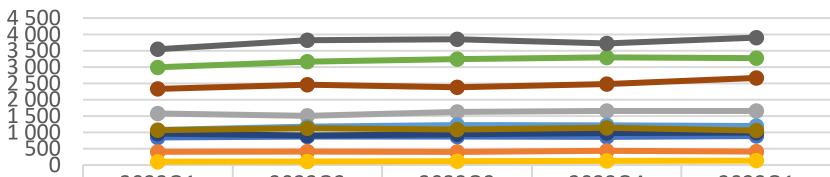


Source: BANKSETA WSP, 2022

4.1.2 Number of employees

In the South African economy, the sectors with the largest number of employees are community and social services; trade; and finance.

Figure 5: Number of employees, 2022Q1-2023Q1



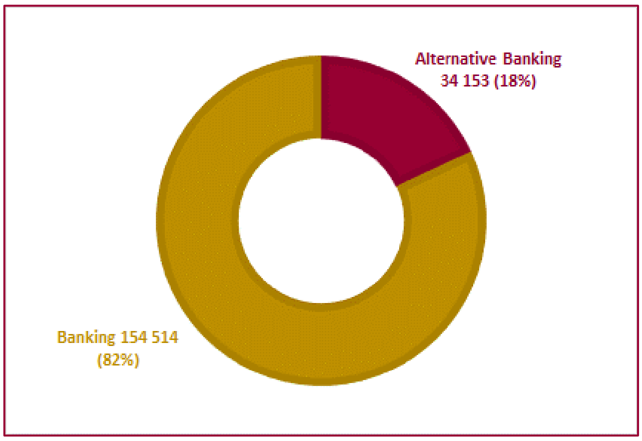
	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1
Agriculture	844	874	873	860	888
Mining	406	407	407	436	413
Manufacturing	1 579	1 507	1 630	1 656	1 654
Utilities	103	104	116	124	135
Construction	1 073	1 177	1 223	1 212	1 201
Trade	2 994	3 163	3 245	3 297	3 269
Transport	960	906	939	982	992
Finance	2 332	2 460	2 380	2 484	2 667
Community and social services	3 546	3 821	3 849	3 727	3 902
Private households	1 072	1 124	1 088	1 142	1 056

Source: StatsSA, 2023Q1

The number of employees in the finance sector ranged between 2.3 million and 2.7 million during the 2022Q1 and 2023Q1 period, reaching 2 667 000 employees in 2023Q1.

According to the BANKSETA WSP (2022) submissions, employers that submitted WSPs employ 188 667 workers. The figure below shows that the large majority of employees are in the banking subsector (154 514 or 82%) with only 34 153 (18%) employees being in the alternative banking subsector.

Figure 6: Number and proportion of employees per subsector



Source: BANKSETA WSP, 2022

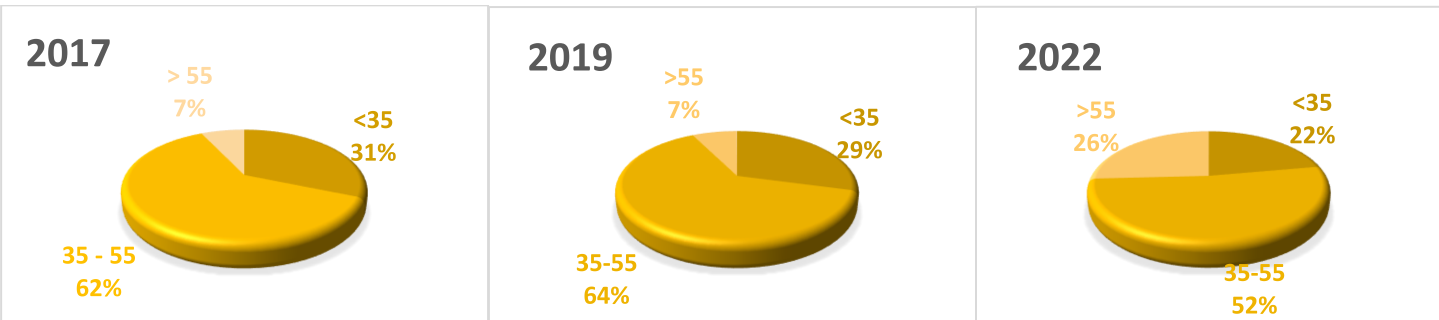
It should be noted that the bulk of the employers are in the alternative banking subsector, but the majority of employees are in the banking subsector, indicating that most employers in the alternative banking subsector are small and majority of employers in the banking subsector are large.

In 2023Q1, there were 315 651 managers in the finance sector, 11.8% of the total employees in the sector. According to the BANKSETA WSP data, the number of managers in the sector increased from 39 510 managers in 2017 to 41 331 managers in 2019, before declining to 37 933 managers in 2022 (20.1% of the total number of employees reported in the WSP data in 2022).

4.1.2.1 Demographic distribution of managers in the banking sector

BANKSETA WSP data shows that managers in the banking sector are becoming older. The figures below show that overtime, the greater than 55-year-old age group increased from 7% in 2017 to 26% in 2022, whereas the less than 35-year-old managers and managers aged between 35-55 years declined.

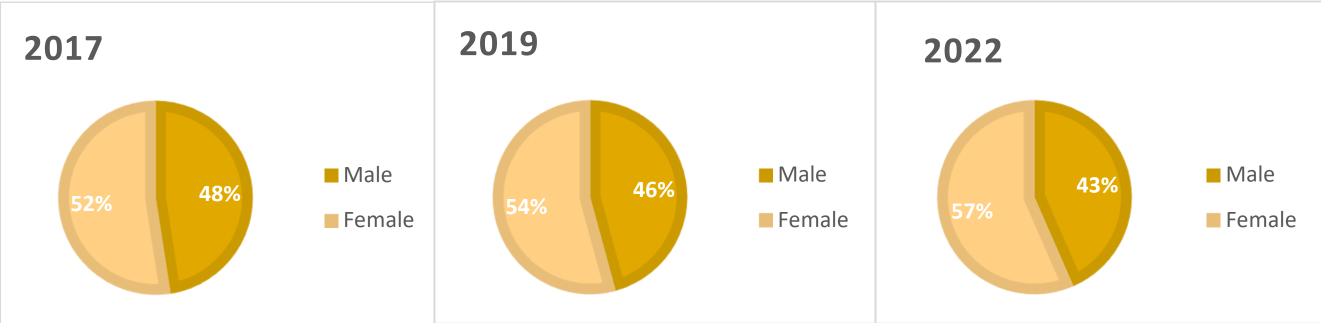
Figure 7: Change in age of managers, 2017-2022



Source: BANKSETA WSP, 2017, 2019 and 2022

In terms of gender, the figures below show that managers in the banking sector are predominantly female, with the female share increasing overtime.

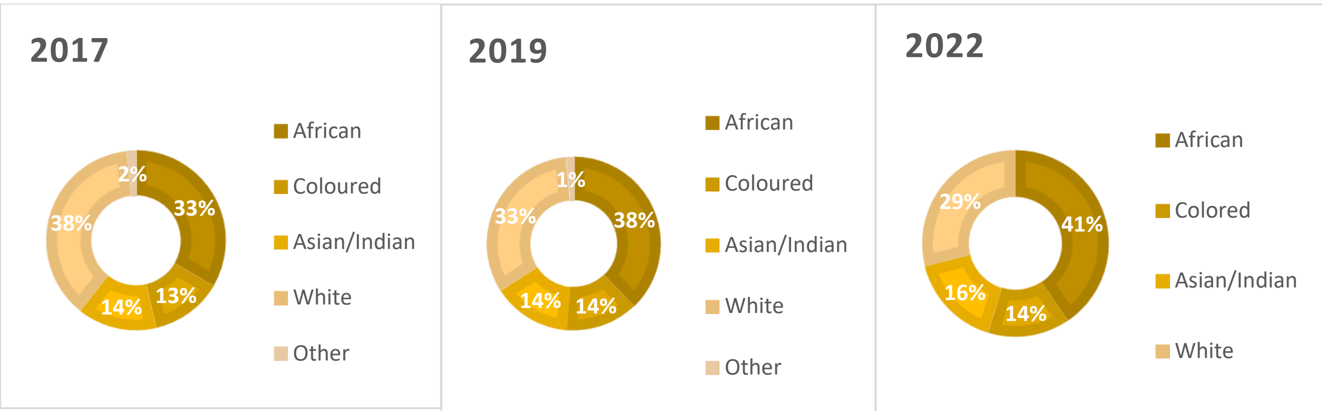
Figure 8: Change in gender of managers, 2017-2022



Source: BANKSETA WSP, 2017, 2019 and 2022

The African and the White racial groups are the predominant racial groups amongst managers in the banking sector. The figures below show that African managers in the banking sector increased overtime whereas White managers declined.

Figure 9: Change in race of managers, 2017-2022



Source: BANKSETA WSP, 2017, 2019 and 2022

The table below shows that the number of employed managers living with disabilities declined in the banking sector, from 491 managers in 2017 to 447 managers in 2022.

Table 2: Change in disability status of managers, 2017-2022

Disability	2017	2019	2022
Persons living with disability	491	485	447
Persons not living with disability	39 019	40 846	37 486
Total	**39 510**	**41 331**	**37 933**

Source: BANKSETA WSP, 2017, 2019 and 2022

4.1.3 Hard to Fill Vacancies (HTFV) for Manager occupational category

The table below shows the Hard to Fill Vacancies (HTFV) for the manager occupational category for both the alternative banking and banking subsectors.

The top 10 HTFV for each subsector are highlighted in the table below. In looking at the commonalities, it is shown that both of the subsectors require Finance Managers, Research and Development

Managers, Credit Managers and Bank Managers. A lot more Finance Managers, Research and Development Managers and Credit Managers are needed in the alternative banking subsector whereas more Bank Managers are needed in the banking subsector.

Table 3: HTFV for Managers per subsector

HTFV	# of Managers in Alternative Banking	# of Managers in Banking	Grand Total
MANAGERS			
2019-121101-Finance Manager	100	35	135
2019-122301-Research and Development Manager	46	24	70
2019-121103-Credit Manager	50	10	60
2019-134601-Bank Manager	19	22	41
2019-112101-Director (Enterprise / Organisation)	28	7	35
2019-122101-Sales and Marketing Manager	22	4	26
2019-121901-Corporate General Manager	9	15	24
2019-122105-Customer Service Manager	19	5	24
2019-133105-Information Technology Manager	15	9	24
2019-121104-Internal Audit Manager	16	7	23
2019-121201-Human Resource Manager	20	1	21
2019-122102-Sales Manager	14	7	21
2019-121905-Programme or Project Manager	6	14	20
2019-121102-Payroll Manager	18	1	19
2019-121202-Business Training Manager	18	1	19
2019-133102-ICT Project Manager	16	2	18
2019-133103-Data Management Manager	8	10	18
2019-134904-Office Manager	12	4	16
2019-133104-Application Development Manager	5	10	15
2019-134603-Financial Markets Business Manager	9	6	15
2019-143901-Facilities Manager	6	8	14
2019-122104-Interactive and Direct Marketing Strategist	6	5	11
2019-121908-Quality Systems Manager	6	4	10
2019-121301-Policy and Planning Manager	6	3	9
2019-143904-Security Services Manager	4	5	9
2019-121902-Corporate Services Manager	2	6	8
2019-121904-Contract Manager	8		8
2019-121206-Health and Safety Manager	6		6
2019-122201-Advertising and Public Relations Manager	6		6
2019-133101-Chief Information Officer	3	3	6
2019-121204-Recruitment Manager	4	1	5
2019-121207-Personnel Manager	5		5
2019-134903-Small Business Manager	5		5
2019-121205-Employee Wellness Manager	4		4
2019-134915-Non-Manufacturing Operations Manager	2	2	4
2019-122103-Director of Marketing	3		3

HTFV	# of Managers in Alternative Banking	# of Managers in Banking	Grand Total
2019-132401-Supply and Distribution Manager	2	1	3
2019-131104 - Operations Manager (Non-Manufacturing)	2		2
2019-121203-Compensation and Benefits Manager	1	1	2
2019-121909-Sustainability Manager		2	2
2019-131104 - Operations Manager (Non-Manufacturing)	2		2
2019-132402-Logistics Manager	2		2
2019-133106-Information Systems Director	2		2
2019-134602-Credit Bureau Manager	2		2
2019-134911-Insurance Policy Administration Manager		2	2
2019-121104 - Internal Audit Manager	1		1
2019-132104 - Engineering Manager	1		1
2019-111201-Defence Force Senior Officer	1		1
2019-111206-Ombudsperson	1		1
2019-121906-Franchise Manager	1		1
2019-132405-Fleet Manager	1		1
2019-134402-Community Development Manager	1		1
2019-134901-Environmental Manager		1	1
2019-134921-Disaster Management Manager	1		1
2019-143905-Call or Contact Centre Manager	1		1
Grand Total	548	238	786

Source: BANKSETA WSP, 2022

The table above further shows that the alternative banking employers reported a lot more HTFV when compared to the banking employers. This is the case even though the banking employers employ significantly more people than the alternative banking employers. It could be that the banking subsector employers report less HTFV because they have less trouble finding the required people when compared to the alternative banking employers.

In terms of the survey, banking subsector employers report ICT related management occupations as HTFV. These include Data Management Manager, Application Development Manager, Information Technology Manager, and Technical ICT Support Services Manager. These occupations are listed in the WSP/ATR data as well (Table 3).

Table 4: HTFV in Manager occupational category, % of employer responses

Occupation	Banking Subsector [N=6]	Alternative banking Subsector [N=28]
ICT Project Manager	0%	28.57%
Finance Manager	0%	17.86%
Accounting Manager	0%	17.86%
Data Management Manager	50.0%	21.43%
Marketing and sales Manager	16.67%	28.57%
Application Development Manager	16.67%	3.57%
Information Technology Manager	33.33%	10.71%
Information Systems Director	16.67%	3.57%

Occupation	Banking Subsector [N=6]	Alternative banking Subsector [N=28]
Technical ICT Support Services Manager	16.67%	3.57%

Source: BANKSETA Survey, 2023

The alternative banking subsector employers report similar HTFV, however these employers also include a Finance Manager and Accounting Manager. This is in line with the WSP/ATR data.

According to interviewees, a key occupation that is growing in importance is a Risk Manager. It is increasingly important for financial institutions to manage risk in an advancing technological environment. The role of the Risk Manager is to ensure that client information is secure, especially with the move towards blockchain, digital currency or cryptocurrency, new forms of capital, faster movement of money, amongst others. It is not a new role, but it is evolving into the IT space – "risk management around information security" (Stakeholder interviews, 2023).

Another factor influencing the role of the Risk Manager is regulation. According to an interviewee, there is a change in the way regulation is being introduced. Regulation is moving from a rule based/compliance based to a risk based. "So, the current Financial Markets Act speaks specifically to - if you are an exchange, then you are a, b, c type person and you must do e, f and g and you must make sure that h, i and j are in place. Whereas the new Conduct of Financial Institutions Act says you if you are in the markets broadly (without defining who the markets are), you must ensure that you have appropriate controls for the requisite risks that you are facing and that has some consequences to the way in which people engage with it" (Stakeholder interview, 2023). Previously, it would be a tick-box exercise because the systems can tell you whether the compliance boxes have been ticked. But in a risk-based approach, one must ask – "are those boxes appropriate in the first instance?". Clearly, the role of the Risk Manager is evolving.

4.1.4 Skills gaps (SGs) for Manager occupational category

The table below shows the Skills Gaps (SGs) for the manager occupational category for both the alternative banking and banking subsectors.

The top 11 SGs for each subsector are highlighted in the table below. In looking at the commonalities, it is shown that managers in both subsectors require Technical (Job-specific); Management and Leadership; Complex Problem Solving; Critical Thinking; Legal, Governance and Risk; and Marketing and Sales skills.

Table 5: Skills Gaps for Managers per subsector

SGs	# of Managers in Alternative Banking	# of Managers in Banking	Grand Total
Technical (Job-specific)	60	86	146
Management and Leadership	54	51	105
Complex Problem Solving	33	67	100
Critical Thinking	26	56	82
Management of Finance Resource	38		38
Legal, Governance and risk	20	17	37
Marketing and sales	20	16	36

SGs	# of Managers in Alternative Banking	# of Managers in Banking	Grand Total
Project Management	14	12	26
Learning Strategies	12	13	25
System Analysis	14	9	23
Advanced IT and Software	9	12	21
Management of Personnel Resource	21		21
Monitoring	11	9	20
Technology Design	10	9	19
Active Learning	5	13	18
Financial and Accounting	16	1	17
Negotiation	9	8	17
Planning and Organising	17		17
Time Management	16	1	17
Persuasion	6	9	15
Social Perceptiveness	3	12	15
Basic Computer (IT)	10	4	14
Communication (oral and written)	9	4	13
Operation and control	8	4	12
Active Listening	7	4	11
Judgement and decision making	4	7	11
Service Orientation	6	4	10
Teamwork	7	2	9
Troubleshooting	5	4	9
Management of Material Resource	5	2	7
Writing	4	2	6
Operation Monitoring	5		5
Office administrator	4		4
Speaking	4		4
Instructing	3		3
Mathematics	2	1	3
Operation Analysis	3		3
Coordination	1	1	2
Science	1	1	2
Programming	1		1
Quality Control Analysis	1		1
Grand Total	504	441	945

Source: BANKSETA WSP, 2022

It is interesting that managers in the alternative banking subsector require management of finance skills, but this is not a requirement in the banking subsector. Also, more managers in the alternative banking subsector have financial and accounting skills gaps (16), as opposed to managers in the banking subsector (1). Hence, financial management skills seem to be lacking in alternative banking managers but not as much in banking subsector managers.

The survey shows that in the banking subsector, key skills gaps for managers are leadership skills, complex problem-solving skills and critical thinking skills. Similar to the WSP analysis.

Table 6: Skills gaps for the manager occupational category, % of employer responses

Skill Gaps	Banking Subsector (N=5]	Alternative banking Subsector [N=39]
Communication skills	20.0%	38.46%
Project management skills	40.0%	46.15%
Leadership skills	80.0%	41.03%
Conflict management skills	20.0%	35.90%
Complex problem-solving skills	80.0%	35.90%
Critical thinking skills	60.0%	38.46%
Marketing and sales skills	0%	38.46%
Mentorship skills	20.0%	33.33%
IT and software skills	40.0%	38.46%

Source: BANKSETA Survey, 2023

The survey shows that for alternative banking subsector employers, managers lack a range of skills with project management skills and leadership skills being key skills gaps.

5 HOW IS THE JOB OF THE BANKING MANAGER CHANGING?

5.1 Change drivers in the sector influencing the job of the manager

The banking sector has been undergoing significant changes over the recent past, with both structural and technological advances pressing top management to rethink their business strategies. According to Cabrita and Bontis (2008), the principal change drivers are financial globalisation, intensified competition, Information and Communication Technology (ICT) developments, as well as deregulation and (re)regulation of the sector.

These change drivers were echoed in the BANKSETA SSP (2021). According to the BANKSETA SSP (2021), the key change drivers in the sector are digitalisation and technology; changing customer expectations; regulation, risk and cybercrime; and disruptors in banking. As stated in the SSP, the pandemic had a huge impact on the banking sector. The sector had to quickly adopt new technologies, with minimal testing, that was only planned to be implemented in the future. This was to enable business activities to continue whilst minimising the risk of viral exposure. During this period, remote banking increased significantly, and banks had to ensure that most of their services are available on Mobile Banking Apps.

The pandemic significantly accelerated digital transformation thereby increasing the need for individuals with digital skills (BANKSETA, SSP). Similarly, Maharaj and Pooe (2021) state that the banking industry is experiencing rapid technological advancements in the growing digital banking space. Additionally, Ambhire and Teltumde (2011) state that the banking and financial sector has completely embraced the new opportunities as shown by a varied set of new financial services offered to customers at competitive rates. Mobile internet, big data, cloud computing, block chain technology have all pushed commercial banks to move from traditional models to digital banking models and thus South African banks have established advanced digital banking systems which compete on international standards and meet the demands for customer efficiency in financial services. Furthermore, the authors state that there has been a shift in banking delivery channels over the past few decades. It shifted from traditional branch banking to self-service channels and then to online banking as well as cell phone banking and mobile banking applications (Maharaj and Pooe, 2021).

A banking subsector stakeholder stated that their organisation and others in the sector constantly need to raise the bar and keep abreast of the changes in the sector including digitisation. Their bank strives to be a platform business, as opposed to being "only a bank". They are transforming from being a purely financial organisation to "like an online mall to connect both clients, providers, transportation providers, everything that you would need in one place.... So, it is not only when you are looking for finance that you access our platform, but you will be able to connect and collaborate and find your needs depending on what they are, whether it be energy, alternative energy sources, other clients, cheaper ways of transport, whatever the case may be" (Stakeholder interview, 2023).

Another stakeholder supported this by stating that the sector is moving towards more platform-based banking and a drive towards digital transformation. Partly to improve operational efficiency – "cost-to-income, reducing cost, finding more efficient ways to do things" (Stakeholder interview, 2023).

In addition, there are also fully digital banks providing a branchless service. These banks need to keep their systems updated and stay abreast of the latest technologies and they rely quite heavily on actuarial and data science skills (Stakeholder interview, 2023).

Furthermore, a stakeholder in the sector stated that the sector is moving towards an ecosystems approach. In terms of this approach, “we are creating ecosystems where a client can go from opening up a bank account, getting an educational loan, through the different phases of their life, to be able to get retirement funding, life cover, educational benefits, short term insurance, health. It really is across how you manage your investments, and it is kind of that ecosystems forcing us to be able to as a company to be competitive across industries”. Because of this ecosystems approach, management development in the sector should not be confined to the sector, but rather across multiple industries – “it does not make sense to build a management capability within an industry... it needs to be far broader than that across industries... this whole ecosystem is changing the way we develop managers and we need to have them thinking far broader than just within the banking industry” (Stakeholder interview, 2023).

Some technological advances can be good for banks such as cloud computing, which can reduce costs and promote low-cost innovation (BANKSETA, 2021). Ditse (2020) states that cloud computing has been used for customer relationship management, financial accounting and human resource management. On the other hand, other technologies disrupt the sector such as crypto currency, which skips banks in the payment process (BANKSETA, 2021). However, the alternative banking subsector can provide services in this space.

In a competitive and changing environment, banking and alternative banking sector businesses recognise that ICT is a resource used to interact with clients. These organisations and their clients have become more communicative and flexible, partly because of new technology. In addition to lowering costs, “ICT helps improve quality through the provision of real-time operations, constant updating of customer information, reduced delays, increased reliability of outputs and standardisation of decision-making” (Cabrita & Bontis, 2008). In an interview, a stakeholder stated that the sector is moving into the platform-based space and undergoing technological transformation to understand customer dynamics and enhance the customer experience. According to the stakeholder, “AI has been a big shift in terms of banking because of its ability to take big datasets and in real time, using machine learning and an even robotic process automation, thereby really making it a lot easier to add value to the customer experience” (Stakeholder interview, 2023).

However, technological advancements in the banking sector have increased the importance of information security. Ambhire and Teltumde (2011) highlights the importance of information security in the ever growing online and internet banking services. The authors define information security as the process by which a business protects and secures its systems, facilities and media that process and maintain information crucial to its business operations. Banks and other financial institutions protect their information by establishing a security process that identifies risks, creates a strategy to manage the risks, implements the strategy, tests the implementation of the strategy, and monitors the environment to control the risks. It is important for management to adopt the best risk controls, quantify the level of acceptable risk and implement the suitable processes which protect the confidentiality, integrity and availability (CIA) of information.

Similarly, Panzaru (2011) states that banks must identify risks and determine their causes and their influence. The banks must then develop procedures, techniques and tools for measuring, mitigating and avoiding risks. This is because banking risks are a source of unexpected expenses. Risk management is a key skill that managers must acquire. Risks was also highlighted as a key change driver in the BANKSETA SSP (2021).

Another key factor impacting change is regulation and compliance – "Regulation is becoming a really demanding sort of aspect of the business. Demanding in terms of time and resources" (Stakeholder interview, 2023). Banking and alternative banking sector stakeholders stated that the sector faces increased regulation which brings about a need for more compliance and risk management personnel to ensure that their organisation operates within the required regulation. In addition, these personnel need to be constantly upskilled to keep up with the changing regulation – "When we send out memos to them about the regulation changes, then we train them on that. We need to basically make them understand how to apply the changes as well at all times" (Stakeholder interview, 2023).

Furthermore, a study by Nwagwu (2020)[3] looks at sustainable banking and the role of business schools and management development institutions in advancing progress to attain the Sustainable Development Goals (SDG) in the Nigerian banking and financial sector. According to Nwagwu (2020), banks must make a shift from traditional banking and embrace the sustainable banking approach. "Sustainable banking incorporates sustainability principles into funding decisions, corporate strategy and product definition processes. In sustainable banking, capital market decisions are based on not only risk and return as in traditional banking, but also social and environmental impacts are given serious consideration. Sustainable banking purposes to balance profit maximisation with social and environmental concerns".

Sustainable banking has gained much importance in recent years, but banks still grapple with challenges in integrating the concept. Banks lack the knowledge of what sustainable banking is and how it can be integrated into the business. This knowledge gap places demand on business schools and management development institutions to generate content and pedagogy to fill the gap. These institutions must use innovative tools and strategies to educate future and current leaders in the banking industry "on how they can through their sustainable banking initiatives advance sustainable development in the various regions they operate" (Nwagwu, 2020).

In addition, during interviews, stakeholders highlighted the deteriorating economic performance of the country as a key factor inhibiting the growth of their businesses. Coupled with the loadshedding crisis in the country, businesses are struggling to compete with international competition (Stakeholder interviews, 2023).

It is important that the changes in the sector need to be properly managed – "proper management of change is essential for employees involved in the change process as fear, uncertainty and anxiety are common reactions amongst employees, which can ultimately lead to resistance to change. This is especially the case when employee jobs are impacted directly". Furthermore, communication is key with any change that takes place in the business. Managers need to be able to communicate effectively to employees to put them at ease. To support this, structures need to be put in place for managers to engage with employees and employees to engage with each other (Maharaj and Pooe, 2021).

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[3] https://www.sciencedirect.com/science/article/abs/pii/S1472811719300990?casa_token=58jiD124jscAAAAA:KXIxv2VB8oHpMq-Xg3Ptw1AaHg9uJevt0rd1gVJ5HWpTRZXIAm-sCvhtbLHkecfpyJL3npQQ

5.1.1 The impact of the alternative banking subsector on the banking subsector and vis-a-versa

During interviews some organisations stated that one subsector does not have any impact on the other, be it the alternative banking subsector on the banking subsector or the banking subsector on the alternative banking subsector. Whilst others highlighted some negative impacts including staff retention as poaching happens in the sector. And this increases cost and time to upskill employees.

A banking subsector stakeholder highlighted that FinTechs provide additional services which are not necessarily provided in the banking subsector. FinTechs provide additional payment engines which do not require credit. In the banking subsector, a lot of payments are made through traditional banking channels to transact through a credit card or in the current world through a virtual card as well. But FinTechs are operating more from providing opportunities for payment engines, without traditional banking infrastructure needed. So, it is "more of kind of funding your account by transferring cash into a wallet and paying through the likes of like Snapchat". Signifying a move away from traditional banking where you have to have a bank account to be able to transact.

There were some banking subsector stakeholders that highlighted the positives of the alternative banking subsector and vice-versa.

A banking subsector stakeholder stated that the alternative banking subsector provides services that the banking sector is not able to because of regulation - "I think alternative banking comes with the possibility of sort of hitting the market or an already established market where we are not able to offer what the alternative banking companies offer". This stakeholder further stated that there should be partnerships between banking subsector and alternative banking subsector employers to improve the offerings provided to customers.

This is supported by an alternative banking subsector stakeholder. The stakeholder stated that "banks do not understand that we need each other to service clients and are not competing with them for business ... Banks see us very often as a threat, because we will be cutting down on their margins to ensure that the client gets a fair price. So, very often banks see that as a risk for them and they sort of create barriers to enter into their client base. But they do not understand that they cannot provide the service to their clients that we can, in other words, we have insight into the client risk, the exposures, and profile portfolios. The bank does not have the skills or the time to look at client's budget rates and exposures etc. So, they are there to provide a price and a product and we need to provide a service to the client, obviously using the banks products to do that". Hence, they need each other to service the client.

Another stakeholder stated that numerous banks are starting to appreciate that in the last five years FinTechs are the accelerator to their businesses – "because for you to build a startup in a very specific niche area within your business that employs 50,000 people is tough. But you have got a group of people in effect that are only focused on that".

In sum, responses are mixed but there is recognition that the alternative banking subsector can support banks in offering an improved service to clients. Some stakeholders highlight the need for partnerships between the banking and the alternative banking sector businesses, and with this comes a need for personnel able to understand and manage these partnerships.

5.2 What new skills do managers in the banking and alternative banking sectors require?

5.2.1 International experience

A study by Bagheri, Daryani, Ardabili, Ahmadlou, and Azadi (2021) looked at which skills are needed by bank managers at different levels at the Iranian Tejarat Bank. Some the skills shown in the table below are exactly those that came out in the discussions above including financial intelligence which involves aspects such as risk and information security; and meeting management, motivation, effective listening, and verbal persuasion which includes aspects such as change management and effective communication.

The authors found that five skill categories are necessary for the three managerial positions – top, middle- and first-line managers: personal, managerial, leadership, behavioural and interaction skills. The table below lists the particular skills required by the different levels of managers per skill category:

Table 7: Management skills per level

Constructs	Top Management Skills	Middle Management Skills	First-line Management Skills
Personal Skills	Financial Intelligence Creativity Emotional Intelligence	Competitive Intelligence Emotional Intelligence Strategic Intelligence	Creativity Financial Intelligence Positive Attitude
Managerial Skills	Meeting Management Self-confidence Training Management	Performance Appraisal Public Speaking Meeting Management	Empowerment Delegation Feedback
Leadership Skills	Team Building Stress Management Political Behavior	Trust Building Self-confidence Conflict Management	Coaching Goal-setting Self-confidence
Behavioral Skills	Happiness Management Self-management Motivation	Emotional Intelligence Self-management Verbal Persuasion	Personality Judgement Negotiation Anger Management
Interaction Skills	Feedback Trust Building Debate	Teamwork Effective Listening Negotiation	Training Management Public Speaking Effective Listening

Source: Baghari et al, 2021

Cabrita and Bontis (2008) state that human capital, found in HR departments; relational capital, found in marketing departments; and structural capital, found in IT departments, together form intellectual capital of a bank. The table above includes aspects of human capital - which include education, skills, values and experiences; relational capital – which include client relationships and marketing; and structural capital – which is comprised of non-human assets such as information systems, routines, procedures and databases. This shows that managers need skills in relation to how to manage employees, handle clients and they need to understand the structure of the business.

In addition to human capital, which is seen as the primary element of intellectual capital, relational capital is also key, particularly in the banking sector because banks are heavily reliant on stable long-lasting relationships with their clients. An important skill for managers in the banking sector to have is how to appropriately deal with clients and how to translate the importance of client satisfaction on to their subordinates (Cabrita & Bontis, 2008). The BANKSETA SSP (2021) lists changing customer expectations as a key change driver in the sector. It is stated that typically banks do not know their clients very well. Many banks invest in customer analytics at product level and as such risk and credit decisions are generally taken at product level and not customer level. "Banks struggle to join the dots internally and prepare bank-wide views of a customer relationship, let alone integrate external sources of data".

5.2.2 South African experience

Amic (2022) researched the skills needed by managers in the South African banking industry and found that managers require upskilling and reskilling in areas such as operations management, coaching for performance, and business management.

According to stakeholder interviews, Managers in the banking and alternative banking sectors need new skills to be able to cope in the ever-changing world or work. The figure below shows the skills needed by managers, as stated by interviewees.

Interviewees highlight the need for managers to have leadership skills – "I think leadership skills are grossly underestimated. And our leaders need skills on how to better manage these kinds of multiple generations and work environments". Managers need to be able to lead older generations and younger generations. The older generations might not have been exposed to much technology despite the drastic technological shift in organisations. The younger generation might not have enough work exposure and experience – "How do you create a level of understanding and leadership to give more junior staff flexibility to be able to create and develop new products and services and be innovative without restraining them in a way because of the lack of knowledge or experience" (Stakeholder interview, 2023).

In addition, Managers in the sector need to understand the system as a whole – “Do people know how a bank works? Not just their part but the system of a bank?”. Managers know their parts, but nobody takes them through the systems – “Bank managers need to have a systemic understanding of how banks work”.

Managers need technical skills. For example, they need to know “how do you run a bank, how does an income statement and a balance sheet work, what are the systems in place?”. They also need to be adaptive. Managers need to know what they are talking about, and they need to be able to lead, inspire and motivate people and deal with people. There should be a focus on core technical skills, and the equally important adaptive personal development leadership skills.

Managers need agility. There is increased competition in the sector for example, mobile banking, and financial services available outside of the traditional banks, amongst others. Institutions must adapt to remain competitive. Managers are key in steering the organisation to change and grow in line with other sectors in the economy. And agility is key for this to be done effectively – “agility is one of the key factors and that they need to be willing to just take on new challenges with ease”.

Also, with the rise of the hybrid working environment, managers need to manage an online environment just as easily as they manager an office environment. And an online environment requires different skills. “They need to be able to set and monitor the goals, development, and deliverables that their staff need to deliver on. So, in the old days, it was just a case of doing your job and if there are no red flags raised, then it is okay. But more and more it is a case of you need to be very tight on your goals and your deliverables, but flexible in terms of the way that you achieve them”.

Stakeholders state that there was a shift from a “command and control” way of management to a more leadership approach. “Very much focused on how to manage the individual as opposed to how to manage your team with taking into consideration people's abilities, affinities, personalities, personal challenges, so very much looking at the person as a whole and being able to manage them effectively in a unique way, as opposed to just as straightforward”. This approach requires a lot of understanding about how a person works and functions.

Managers need to be able to manage people and create an environment wherein they are able to do their best. This includes aspects such as employee health, well-being, technical skills, personalities, generational differences, diversity and inclusivity, amongst others. They need to be able to manage a diverse team with multiple personalities, multiple cultures, multiple approaches etc. This is important and said to be lacking.

Because of the technological advancements in the sector and the accompanying new occupations, managers need to be able to manage an increasingly diversity of skills and they need to have an understanding of the new technologies coming into the sector – “Managers themselves need to understand the technology and how to deploy different technologies to enhance productivity”. However, stakeholders state that it is not as simple as promoting technical people to management. The transition from being a technical expert to a manager is a big challenge that many fail at. Managers need much more than just technical expertise.

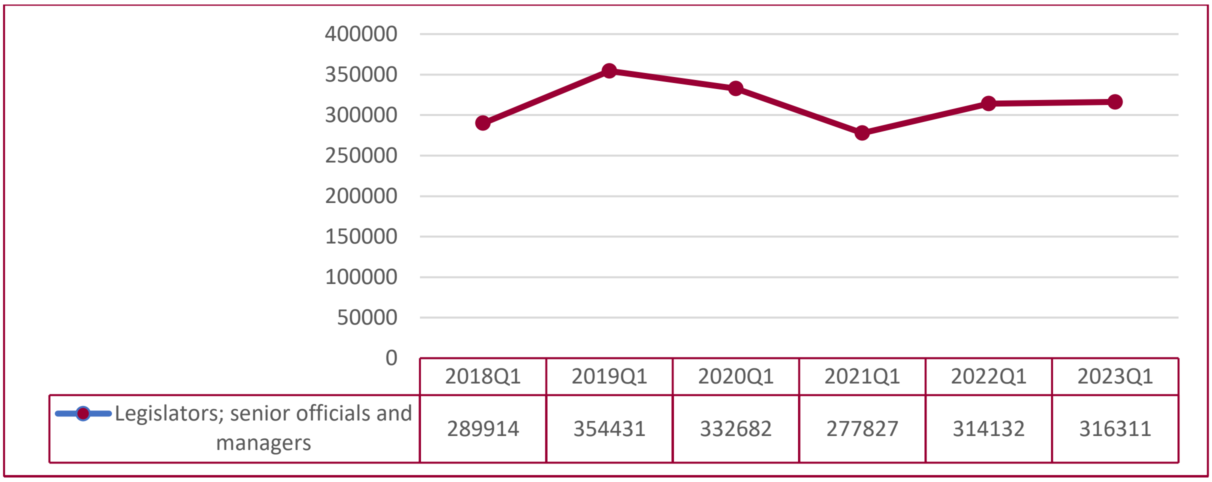
In the alternative banking subsector, stakeholders state that because they are a small business, managers often do other work as well. Often, they do not have time to manage people because they are doing other functions to make the business profitable. “Managers are doing the work and not necessarily just managing and that is probably where skills are required... things like training in HR negotiations, team leadership, supervisory skills, motivational skills".

5.3 Will technologies make the jobs of managers redundant in the near to long future?

StatsSA data show that the number of employees in the manager occupational category of the finance sector increased overtime, from 289 914 employees in 2018Q1 to 316 311 employees in 2023Q1.

The figure below shows that there was disruption in the sector, specifically during the Covid-19 period, but the sector subsequently recovered and employment in the manager occupational category is now on an increasing trend.

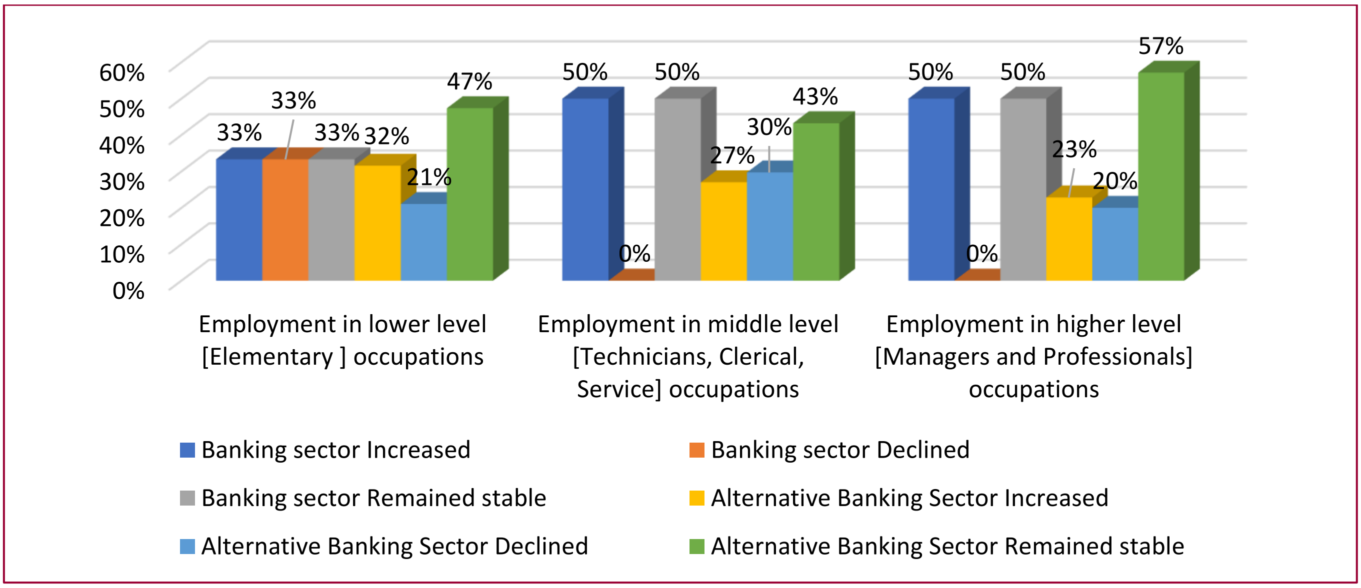
Figure 10: Trend in employment of manager occupational category of the finance sector, 2018Q1-2023Q1



Source: StatsSA, 2018-2023

In terms of the survey, the figure below shows that respondents are of the view that employment in higher level occupations (Managers and Professionals) either increased or remained stable.

Figure 11: Change in employment in the last 5-years, banking and alternative banking sectors



Source: BANKSETA Survey, 2023

In the banking subsector, 50% of respondents indicated that employment increased and 50% indicated that it remained stable. In the alternative banking subsector, some respondents indicated that employment in this category declined (20%), however the majority indicated that it either increased (23%) or remained stable (57%).

Furthermore, in the survey, respondents were asked if technological advancements are displacing labour. Very few respondents in the banking subsector stated that it is – 16.7%; whereas in the alternative banking subsector 40.9% of respondents indicated that technology is displacing labour. Of the 40.9% of respondents who indicated that technology is displacing labour, only 16.7% (N=3) indicated that Branch Managers are being displaced.

During interviews, stakeholders indicated that the manager occupational category is not becoming redundant in the banking subsector nor the alternative banking subsector. However, certain responsibilities of managers are changing.

The table below shows to what extent technological advancements are impacting the roles and responsibilities of managers in the banking and alternative banking sectors. Responsibilities include performance reviews, managing time on projects, planning and implementing training, team building, strategic decision making, conflict management, and work delegation.

In terms of managers' responsibility to conduct performance reviews, the banking subsector employers are split between technological advancements impacting it to a significant extent (40% of employers indicating) or to no extent (40%). In the alternative banking subsector, technological advancements impact managers responsibility to conduct performance reviews significantly (31.6%) or somewhat (42.1%).

Table 8: Extent to which management responsibilities are affected by technological advancements, % of employers indicating

Responsibility	Subsector	Significant Extent	Somewhat	No Extent
Performance reviews	Banking Sector	40.0%	20.0%	40.0%
	Alternative Banking sector	31.58%	42.11%	26.32%
Project time management	Banking Sector	40.0%	40.0%	20.0%
	Alternative Banking sector	42.11%	31.58%	26.32%
Training	Banking Sector	20.0%	40.0%	40.0%
	Alternative Banking sector	51.28%	28.21%	20.51%
Team Building	Banking Sector	0%	40.0%	60.0%
	Alternative Banking sector	41.67%	33.33%	25.00%
Strategic decision making	Banking Sector	60.0%	40.0%	0%
	Alternative Banking sector	43.24%	27.03%	29.73%
Conflict management	Banking Sector	20.0%	20.0%	60.0%
	Alternative Banking sector	36.84%	42.11%	21.05%
Work delegation	Banking Sector	20.0%	40.0%	40.0%
	Alternative Banking sector	27.03%	51.35%	21.62%

Source: BANKSETA Survey, 2023: Banking sector [N=5]; Alternative banking sector [N=39]

For both the banking and alternative banking sector managers, technological advancements impact project time management significantly or somewhat.

Training planning and implementation seems not to be impacted in the banking subsector, but it is significantly impacted in the alternative banking subsector (51.2%).

Banking subsector managers responsibility to conduct team building is not impacted by technological advancements (60%), whereas the alternative banking subsector managers are significantly impacted (41.7%), or somewhat impacted (33.3%).

For both banking subsector and alternative banking subsector managers, technological advancements impact strategic decision making significantly.

Technological advancements do not impact banking subsector managers responsibility of conflict management, whereas it does impact alternative banking subsector managers to a significant extent (36.8%) or somewhat (42.1%).

Work delegation is not impacted by technological advancements for both banking subsector and alternative banking subsector managers.

From the responses it seems like Managers in the alternative banking subsector are more impacted by technological advancements than those in the banking subsector. A banking subsector stakeholder stated that some managers are stuck in the older ways of doing things – “some of the more mature one’s sort of want to do things very old school and not to look at the systems or the new ways of reading data. They want to see Excel spreadsheets and pivot tables when we would rather sort of show each other Power BI dashboards or an infographic type of thing” (Stakeholder interviews, 2023).

According to an interviewee, the traditional project managing tasks of a manager are what will become redundant. And how you manage people, which should have always been the primary goal, will not change. How you manage people, their personalities, behaviours, personal circumstances, is not something that technological advancement is going to impact directly – “AI is not going to tell you how to deal with incidents where a staff member is about to commit suicide and calls up a manager, and then to be able to understand the empathy that goes along with it around how do you transition that person back into work if you are able to kind of manage that”. So, according to the interviewee management should be focused on what they should have always focused on – “the people, not tasks”.

Some stakeholders state that the role of managers is becoming more critical in the sector – “Management Control is critical for being able to have a consistent focus and sort of lead the charge in terms of directing our staff towards our goals and objectives and honestly, everyone's rowing in a different direction the boat is not going to get to pause. We do desperately need our managers”. Also, “in our industry the personal touch will always be required. So, we will never ever provide a totally adequate automated service to clients... we discuss strategies with clients, and you cannot provide that advice just by pressing a button. It has got to be personal. So, I think the personal touch will be with us in our industry at least in those that want to stay alive, that personal touch will stay with us for quite a while”.

As stated previously, stakeholders state that managers are not becoming redundant, they are just leading in a different way. They are no longer that final decision-making person and the “be all and end all”. It is more of a support function rather than a “command and control function”.

6 MANAGEMENT DEVELOPMENT MODELS TO USE IN THE BANKING AND ALTERNATIVE BANKING SECTORS

6.1 Approach used to upskill managers – international lessons

Isiaka (2011) states that “since an organisation can rarely secure people who are at the time of employment, total masters of their unique requirements, organisations need a good training and development programme”.

Globally, management development is a current and future priority (Jivan, 2017). There is therefore continuing and increasing investment in management development interventions within organisations. Jivan (2017) states that within the United States, between 2013 and 2017, the scale of investment in leadership development increased annually at an average of 14%.

Similarly, Jivan (2020) states that management development appears to be a recurrent and pressing issue for firms to ensure sustainability. Global surveys by multinational consultancies have stated that management development will remain a future priority for businesses given the rate and scope of technological, political, economic, demographic and social changes and the impact thereof on the business landscape, as stated by Jivan (2020). This implies that the increasing pattern of investment into management development models by firms will be sustained and therefore the consequent increase of management development methods will continue. However, despite the investment by businesses in management development interventions and the increase in development methods, there is the persistent theme of failure of these development interventions and methods as research shows that a significant proportion of leaders in firms are either not ready to lead, not leading effectively or failing to lead. This is attributed to the lack of effective contextualisation of leadership development. As stated by Jivan (2020), the lack of contextualisation refers to the assumption that “one size fits all” and that the same set of skills or style of leadership is appropriate even though the strategy, organisational cultures, or business mandates are different. Management development methods and strategies require customisation to individual leader competencies. The lack of contextualisation could also be understood as the disconnect between the learning and development within leadership development programmes and the contexts of the workplace. This implies a need for customisation within firms as well as between firms and training providers offering management development programmes.

Since 1976, China and Singapore have increasingly focused on how to ensure there are adequate managers to support the success of the countries. This is evidenced through the growth of MBA programmes as business schools have become increasingly focused on corporate management development. In China and Singapore, this focus on business schools by the government has had a considerable impact on the practice and policies of management development. Some of the reported trends are that in China there was a shift “from an academic to professional orientation, from general knowledge learning to competency development, from technical orientation to managerial focus, from a common programme to an adaptive curriculum planning and from ‘one-shot’ training to strategic distributive development” (Mabey, 2007).

A study by Isiaka (2011) looked at the Nigerian banking industry and found that banks see management training and development as important. These banks invest in management training and development because of productivity, new technology, responding to skills deficiencies, new hire requests, moral duty, and staff request.

Faridi and Baloch (2019) looked at new techniques and traditional methods of training and development in the Pakistani banking sector, with new techniques defined as computer based training and online training, and traditional methods defined as lecturers, seminars and workshops. According to the authors, new training techniques offers more flexibility, re-usability of content, and flexible timelines. Traditional methods are largely structured and has a higher specificity in time window that limits the learning capabilities. They found that new techniques are more effective in improving the empowerment and professionalism of banking employees in comparison to traditional methods. The authors found that there is a shift in paradigm, especially in the private banking sector, with new training techniques becoming more evident because of its flexibility as individuals could acquire knowledge at their own generic pace. The authors draw the conclusion that private banks are performing better than the public banks due to the use of modern methods of training and development.

Research shows that in order to establish a strong management development programme, management assessment and planning is key. Organisations must:

- “Assess the status quo to determine managers' existing skill levels.
- Analyse and estimate management development needs in terms of the number of managers and critical competencies needed in the future.
- Evaluate proposed approaches to management development vis-à-vis alignment with the organisation's strategic plan.
- Identify training opportunities and participants.
- Create development plans for individual managers.
- Tie program objectives to manager interests as well as company needs.
- Provide honest guidance about future opportunities to individual supervisors and managers” (SHRM, n.d).

As affirmed in the previous section, generally, managers need a broad variety of skills in supervision and leadership, technology, communication, and general business. They need a firm understanding of the sector in which they operate and the functions and structure of the organisation. Regardless of their particular area of expertise, they need to be familiar with operations, marketing and finance. And they need to clearly understand the organisation's policies, culture, policies and philosophies (SHRM, n.d).

In addition, Mabey (2007) states that the idea of diversity management rose significantly during the 1990s and continues to be an important consideration. Hence, there is a need for training and development of managers with a view to sensitising them to the benefits of diversity and then providing them with the tools to manage it. The author states that despite its importance, diversity-specific interventions will most likely form only a very small part of a typical manager’s development experiences.

Often businesses provide no formal development programme for their new managers and no "refresher" training for existing managers. Research shows that a formalised approach to management development works best because well trained managers play an important role in an organisation's success and future development (Sakshi, n.d). Hence, formalisation is needed but taken from the discussions above, there must be flexibility in the programme to allow for customisation.

An article published by VALAMIS (2021)[4] lists eleven most effective employee development methods. These are: training; task/job rotations; coaching; mentoring; workshops/committees/working-groups; simulations; conferences; on-the-job training; self-study; 360-degree performance review; and career planning. Although all appropriate, the methods most appropriate for managers include training; mentoring; workshops/committees/working groups; conferences; and self-study. These are elaborated on below:

- Training includes developing employee skills through a combination of lectures, hands-on-exercises, individual/group-based assignments, amongst others. It includes both formal (classroom-based, instructor-led, eLearning courses) and informal (watching YouTube videos, reviewing educational blogs and posts on peer-group forums like LinkedIn or chat rooms, self-study) approaches to skills development. Each option will be specific to the manager's needs (VALAMIS, 2021).

  According to SHRM (n.d) management training include knowledge training and skills training. Knowledge training for managers covers internal and external matters. Internal matters are the company's business model and how it makes money; company-specific processes and product offerings; supply chain elements, application of products, markets and economic cycles; revenues, expenses, profits, customers and growth; accounting, finance, marketing/sales, strategy, and the analysis and interpretation of financial statements; and internal ethics codes. External matters include labour laws and employee benefits. Skills training for managers are vast and can include any skills related training the organisation deems important for managers to have such as conflict management, project management, problem solving, performance management, team building, organisational communication, amongst others.
- Mentorship involves a senior person taking a less senior employee under their wing to develop important skills that the mentored individual might lack. In the case of managers, a senior manager can mentor a junior manager for example. Mentorship programmes can be both formal and informal (VALAMIS, 2021).
- Workshops/committees/working groups as well as conferences are methods that give managers an opportunity to interact with peers/colleagues from within and external to the organisation. This broad range of input and knowledge can be useful in gaining new insights, troubleshooting, and opening up communication on best practices.
- Self-study includes reading/researching, taking classes, amongst others, outside of work hours (VALAMIS, 2021).

Sakshi (n.d) states that management development methods include on-the-job methods and off-the-job methods. Majority of the methods are similar to those stated by VALAMIS (2021). On-the-job methods makes use of internal facilities and includes coaching; job rotation; under study; multiple management; selected readings; committee assignments; and project assignments. Off-the-job

[4] https://www.valamis.com/hub/employee-development-methods

methods make use of external facilities and includes case studies; conferences; role playing; lectures; management games; and sensitivity training.

Table 9: Management training methods: on the job and off the job methods

On the job methods		Off the job methods	
Coaching	Superiors guide and train subordinates as a coach	**Case studies**	Trainees are given a business problem (case study) in writing. They analyse the problem, find alternative courses of action, evaluate alternative courses and select most appropriate solution.
Job rotation	A person is moved from one job to another on some pre-planned basis to increase knowledge and skills about various jobs.	**Conference**	A group meeting conducted according to an organised plan in which the members seek to develop knowledge and understanding by oral participation.
Under study	A person is selected by a supervisor and trained like his descendant assuming full time responsibilities of the position held by the supervisor.	**Role playing**	Trainees are given the roles which they act out. Roles are given for situations like hiring, firing, interviewing, grievance handling, disciplining a worker, presentation to clients or customers etc.
Multiple management	A junior board of executives is made to learn the skills of Board of Directors (BOD). Major problems are analysed by junior board and recommendations given to BOD.	**Lectures**	Lectures are formally organised talks in which the instructor guides about specific topics. Lectures are essential when technical or special information of a complex nature is to be provided.
Selected readings	Managers can get knowledge about the latest developments in management world from selected professional books, journals, magazines, etc thereby developing through reading	**Management games**	A management game is an exercise, which is a close representation of real-life conditions, in which teams of students compete against each other to achieve common objectives.
Committee's assignments	A committee is formed of trainee executives in which all participants participate and discuss various issues thereby increasing knowledge by education.	**Sensitivity training**	The trainer in this training is usually a psychologist. The activities of training involve sitting of group members around a table and discussing for a long time. Sensitivity training brings a change in the behaviour of employees.
Project assignments	A group of workers is given project work which is related to their functional area, studying work problems and finding solutions.		

Source: Sakshi, n.d.

The different methods outlined above are not mutually exclusive in nature. The typical programme of an executive development includes a number of methods in both categories. Typically, the higher the position in the organisation, the more important off the job methods become.

Similarly, Jivan (2020) lists the methods of management development including formal learning programmes; simulations; coaching; mentoring; amongst others, and states that there is the increasing use and recognition of the effectiveness of a variety of developmental methods. However, it is important that the learning process and developmental methods can be integrated. Also, the customisation of management development methods to fit the individual leaders' competencies is key.

Likewise, Bagheri et al (2021) states that management skills are linked to a more complex knowledge base than other skills and are integrally connected to interaction with other humans. The authors state that developing a standardised approach to managing individuals is impossible. But all skills can be improved through practiced and hence any approach to management development must have a practical component. Management development should involve both conceptual learning and behavioural practices.

In terms of trends, Jivan (2020) states that certain management development models are more popular at certain times. For example, in recent times coaching and on-the-job learning and development has emerged as the preferred method as well as digitalised learning and its management, such as e-learning, webinars, mobile learning formats and other technology-based mechanisms. Suutari and Viitala (2008)[5] found that short term management development activities dominate even though more longitudinal methods emphasising experience-based learning were reported to be more effective in supporting the development of senior managers.

Ultimately, the success of a management development model depends on how well it has been rolled out, and how well it has landed, how well it has been implemented and how well it speaks to the different business and manager demands (Jivan, 2020). Furthermore, Jivan (2017) found that there is no standardised practice for leadership development. Leadership development is an individual's ongoing lifelong developmental journey. Individuals are meant to "find their own voice". The BANKSETA IEDP programme as well as LDCs do not prescribe to or implement a particular model as the delegates are meant to find their own "voice". There is an evolving practice of blending, tailoring and customising of leadership development programmes.

If implemented correctly, management development has a major impact on employee performance and morale. Well trained managers can revitalise unmotivated employees and thereby avoid the disruption and costs of firing and rehiring. Well trained managers can also act as translators between levels and groups of employees and with other organisations (SHRM, n.d).

Moreover, well trained managers can better handle emerging trends such as globalisation which is increasingly making the business world more complex; the accelerated business cycle, with businesses perceived as failing or succeeding on a faster pace than previously recognised; and the flexible working arrangements which are becoming increasingly popular and widespread; amongst others (SHRM, n.d).

[5] https://www.emerald.com/insight/content/doi/10.1108/00483480810877561/full/html?skipTracking=true

Faridi and Baloch (2019) found that training and development enhances the organisational performance while promoting the sense of empowerment and professionalism of employees. Empowered employees are more dedicated towards their jobs through using their physical, emotional, and cognitive resources.

6.2 Approach used in the South African banking and alternative banking sectors

The survey responses show that in both the banking subsector and the alternative banking subsector, organisations allow managers to develop capacity both internal to the organisation and externally. It should be noted that all banking sector employers indicated that managers are allowed to develop capacity internally and externally. However, in terms of alternative banking sector employers, 92.3% of employers indicated that they allow managers to develop capacity internally and 76.3% indicated that they allow managers to develop capacity externally.

The table below shows that in the banking subsector, coaching, mentorship and shadow learning is popular; and in the alternative banking subsector coaching and mentorship is popular.

Table 10: Internal Manager Capacity Development

Internal Capacity Development	Banking Subsector [N=5]	Alternative Banking Subsector [N=35]
Job rotation	40.0%	40.0%
Coaching/mentorship	100%	65.71%
Shadow learning	80.0%	40.0%
Self-skilling	0%	5.71%

Source: BANKSETA Survey, 2023

In terms of external capacity development for managers, banking subsector employers fund training programmes (100% of employers indicating), bursary programmes (100%), workshop and conference attendance (75% each). Alternative banking subsector employers primarily fund training programmes (72.4%) and workshop attendance (58.6%).

Table 11: External Manager Capacity Development

External Capacity Development	Banking Subsector [N=4]	Alternative Banking Subsector [N=29]
Fund a training programme	100%	72.41%
Fund a bursary programme	100%	24.14%
Fund a workshop attendance	75.00%	58.62%
Fund a conference attendance	75.00%	51.72%

Source: BANKSETA Survey, 2023

With regards to preference, 25% of banking sector employer survey respondents prefer internal approaches to develop managers and 75% prefer a hybrid model using both internal and external approaches.

Figure 13: Preferred method of management capacity development, banking sector

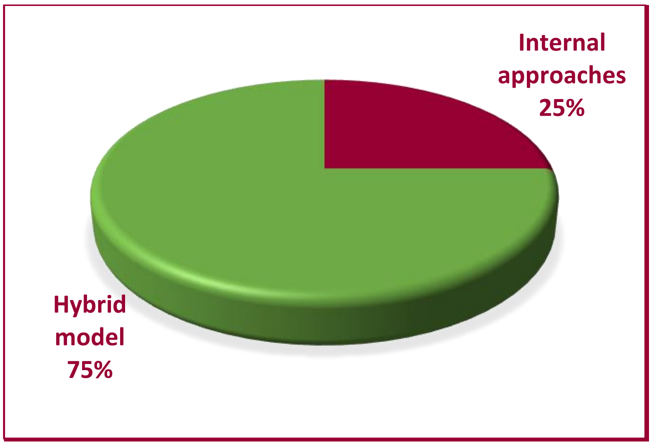
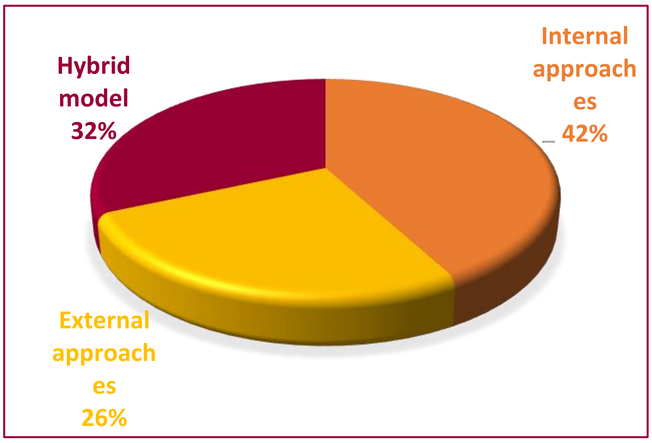


Figure 12: Preferred method of management capacity development, alternative banking sector



Source: BANKSETA Survey, 2023

Responses are more mixed for alternative banking sector employers with 42% indicating that they prefer internal approaches, 32% indicating that they prefer a hybrid model and 26% indicating that they prefer external management development approaches.

The interviewed stakeholders indicated that in general banking subsector and alternative banking subsector employers upskill managers by using a hybrid approach, incorporating internal methods as well as external methods. However, it should be noted that for alternative banking subsector employers there is a bigger emphasis on internal methods such as coaching and mentoring being important to the development of managers, more so than external methods such as lecturers, workshops and conferences. This is in line with the survey responses.

A banking subsector employer stated that their organisation uses a combination of internal and external management development approaches. This bank uses business schools because of their own perception around business schools being more relevant in their training than universities – "It speaks more readily to the corporate environment where it is not just the academic underlying knowledge, but it is more the translation of that knowledge". This organisation also has internal management development programmes, which used to be junior, middle, and senior management programmes but recently changed to programmes focused on specific leadership areas. This bank also offers e-learning programmes to managers (Stakeholder interview, 2023).

Another banking subsector employer stated that they use a combination of internal and external approaches. The bank provides in-house management capability or training. This is training regarding the bank culture, values, acceptable behaviours of people, actions, amongst others. This is practical training around learning practical lessons. The bank also provides general management skills through external providers. This mixed approach allows for managers to learn about the bank but also about the industry at large - "I think that broadening scope of the kind of skill set you get in a general management programme across industries is quite valuable". These are structured programmes, but they are adaptable to cater for the changing environment and the employer's needs – "we kind of work with the institutions because they are higher education institutions, we work with them to carve out something that is relevant for us, that brings in our values".

The employer states that what is key is that there is a balance between theory, practical application, and exposure across industries or how it is implemented across industries. This gives the sector a more competitive leadership or management team.

Furthermore, a banking subsector employer stated that while external methods are important, more internal mentoring will be beneficial to managers. “Mentoring and coaching allows for a longer, drawn out learning experience, where you can engage with somebody, and you are able to identify your weaknesses and your strengths and work towards those. A longer based mentoring and coaching programme would serve more beneficial than just a lecture”.

An alternative banking subsector stakeholder stated that on-the-job training still works the best, however it is time consuming. This employer’s core business is risk management and advising clients on how best to identify and manage risk, and because the employer did not find too many education and training programmes up to the required standard in risk management, on the job training works best for them – “the training out there is okay but it just teaches you the basics of what products can do and what the operation can consist of. On the job training is really still the essence, and primary way, the most important way of getting people upskilled” (Stakeholder interview, 2023). Another alternative banking employer stated that “in terms of effectiveness of training, I think for us on-the-job training is probably the best solution with some assistance with the odd specific specialist training for specific aspects of the work” (Stakeholder interviews, 2023).

6.2.1 External Management Development Training Provided in South Africa

Numerous public and private further and HEIs offer management development programmes. Some of them are provided below:

Table 12: Institutions offering Management Development Programmes (Not an all-inclusive list)

Name	Duration	Modules
Universities		
Stellenbosch Business School **Stellenbosch Graduate Institute**	10 days over a 6-month period 1 year	Leadership and Emotional Intelligence; Managing Teams; Managing Finances and Risk; Managing Operations; Managing Knowledge and Innovation; and Managing Talent and the Workforce (HR).
UNISA	1 year	Strategy implementation; Financial and management accounting; Economics for business; Operations and supply chain management; Marketing and information management; and Mobilising people
University of Pretoria	10 months	The Business Environment; Managing the Art of Innovation; Operational Effectiveness; Effective Project Execution; Business Finance for Managers; People and Performance Management; Marketing for Managers; Business Strategy for Managers; and Essential Communication Tools.
University of Cape Town	2 weeks	Managing self (Reflection);

Name	Duration	Modules
		Managing organisation (Analytical skills); Managing context (Beyond global); Managing relationships (Collaboration); and Managing change (Action).
Cape Peninsula University of Technology	10 months	Management Theory and Practice; Financial Management Methods and Applications; Project Management Principles and Implementation; and Industrial Relations and Labour Law for Business.
Nelson Mandela Universities	2 years part time	Contemporary Management; Finance for Non-Financial Managers; Human Resource Management for Non-Practitioners; Leadership Skills for the 21st Century; Marketing Principles and Customer Relationship Management; Portfolio Development; Self-Development / Emotional and Cultural Intelligence for the 21st Century Leader; Strategic Management; Economic Principles for Managers; Integrated Operations Management; Labour Relations; Legal Principles for Business; Portfolio Development; Professional Presentation Skills; Project Management; and Safety, Health and Environmental Management.
University of KwaZulu Natal	12 days facilitation and 3 days coaching	Strategic Marketing Management; Management and Leadership; Strategic HR Management; Management Strategy; Economics; Operations and Supply Chain Management; Financial Management and Management Accounting; Technology and Business; Personal and Management Coaching; and Innovation.
University of the Western Cape	Online course. Flexible hours	Management Skills Development; Introduction to Information Systems; and Introductory modules in Management and Finance.
Private training providers		
IMSIMBA Training	12 months	Team Development; Conflict and Change Management; Human Resource Management; Management and Leadership Development; Project Management, Monitoring and Evaluation; and Financial Management.
Insurance Institute of South Africa	6 months	Self Leadership; People Leadership; Commercial Leadership; and Strategic Leadership.

Source: Learning Institution websites, 2023

**Note: This is not an all-inclusive list.*

**Note: Some institutions had limited information, so the programme was not listed on the table.*

During interviews, education and training providers stated that they provide a range of skills development programmes for managers. These include agile leadership programmes which include agile thinking and problem solving; digital leadership programmes; situational leadership programmes; visionary leadership in strategy programmes; operational and risk management programmes; ethical leadership programmes; customer centric leadership programmes; and data driven leadership programmes, amongst others – “We are teaching managers to become more data driven in the decisions they make in the way that they manage their businesses on a day to day basis”.

Furthermore, the BANKSETA International Executive Development Programme (IEDP) was launched in 2005, after a feasibility study was conducted to help address equity in the development for, and employment in, senior and executive management levels at the banks. The programme was initially launched in partnership between BANKSETA, the Toronto Financial Services Alliance (TFSA) and Immersion Lab (a consultancy in Canada).

The programme was originally hosted in Canada where the delegates attended a set curriculum at the Rotman Business School and Schulich Business School. Additionally, delegates visited and engaged with key stakeholders at The Bank of Montreal Leadership Centre, Canadian Imperial Bank of Commerce (CIBC), Canadian Bankers Association and the TFSA.

In 2007, when a new BANKSETA CEO was appointed, the programme continued to evolve. More partnerships were created, international exposure and visits increased, and the content of the programme was updated. A second IEDP was introduced in the United Kingdom at the Cass Business School, the base of the programme changed from Canada to the Rotterdam Business School, and joint ventures and partnerships with South African Business Schools for anchoring the IEDP UK and Europe.

In 2010, there was a formal differentiation of the IEDP into two programmes anchored at different South African business schools, one focussed on retail banking and the other on investment banking. This led to the refinement of the content of the two differentiated IEDPs and attendant change in the institutions for the international visits.

The programme involves the selection of delegates to the IEDP, the logistics of onboarding the delegates to the programme from the respective banks and its design and delivery in collaboration with various business schools (Jivan, 2020). The programmes are generally six weeks of international experience within a four-month duration.

Jivan (2017) provides a quote from the BANKSETA CEO on the purpose of the IEDP programme: “The IEDP aims to accelerate the development of senior, high potential, historically disadvantaged individuals in the [..] banking sector, and places leadership and self-reflection at the heart of its course. We aim to impart the idea that collaborative leaders are personally mature, and so our IEDP candidates present a personal development plan [in the form of a personal Leadership Quest] as part of their overall assessment. We assist our candidates with their personal development plans by providing regular feedback and reflection sessions, and everyone has the chance to spend time with a coach in each host country. The programme combines structured learning together with project work, networking, coaching, business simulations and visits to top-level firms locally and internationally”. The CEO elaborates further, “the purpose of the IEDP is to give global exposure to people who are in the talent pool inside banks [..] So you give them the skills that any manager at executive level would need in any event, and you expose them to a network of very capable people internationally”.

6.2.2 Internal Management Development Training in South Africa

During interviews, employers indicated that they offer structured leadership development programmes. One employer stated that they focus on aspects such as “how to manage people, how to get the most out of them, how to manage people during difficult times, how to look after the health and wellbeing... we are talking about behavioural skills that we think we need to focus more and more on... So, we are actually building more and more behavioural skills and capabilities through leadership programmes.

6.2.3 Relevance of education and training for managers

In terms of external management development programmes, employers are of the view that management development programmes must be specific to their organisation. As such, employers work with education and training providers to ensure that the programmes cater to their needs. This is supported by interviews with education and training providers who stated that they develop programmes according to employer needs.

In addition, according to the interview analysis, education and training providers constantly review their programme offerings to stay updated with the rapidly changing technological environment.

Also, many training providers changed their mode of delivery for several of their programmes because of the Covid-19 pandemic. The pandemic also brought about a change in the work environment with more people working remotely and as such management development programme content had to change to address new challenges associated with remote work – “We had to shift the content because a lot of people started asking us for content around ... to enable the leadership to be able to work in a virtual environment, how to be in the virtual environment, the performance management in the virtual environment and how do you build trust in that environment?” (Stakeholder interview, 2023).

Education and training providers also state that they do research in terms of where the industry is going, and they engage with leading universities around the world to see what they are focussing on. They also engage with international banks to ensure that the latest information is taught.

According to education and training providers, there is an increase in demand for training around compliance/operational and risk management, relationship banking to be customer centric, agile leadership development wherein people need to know how to manage themselves and manage their teams under the rapidly changing working environments, performance management, and AI for business professionals. This is in line with what employers said about the skills needed by managers in the sector.

6.2.4 Challenges of management development within the banking sector

Jivan (2020) states that banks have their own Leadership Development Centres (LDCs). A challenge for heads of these centres is competing purposes that arise from contending demands and timeframes within their respective banks. They are meant to address the development of future capability for the nascent changes and disruptions of the Volatile, Uncertain, Complex and Ambiguous (VUCA) world while also addressing the present organisational leaders for the current tasks of organisational alignment and achievement of business results. In addition, they need to individualise management development to consider each managers specific gaps and needs.

In addition, ownership of management development within banks is contested. Jivan (2020) found that often the head of LDCs are not sure where leadership development sits – in training and development or in organisational development.

Furthermore, heads of LDCs differentiate between internal development methods and external development methods. Internally they can focus on the alignment, standardisation and customisation of leadership development to their banks' purposes. This includes the opportunity to use digital and experiential modalities and various development methods and techniques outside of the traditional classroom or seminar. However, an internal model runs the risk of bank leaders making the sole purpose of management development a solution seeking programme for immediate business challenges and financial performance. Externally, business schools in their opinion are academic and focussed on South African Qualifications Authority (SAQA) compliance. Heads of LDCs are left with determining the best combination between academic rigour and business relevance (Jivan, 2020).

Also, heads of LDCs state that leadership development is made "palatable" to the bank as pieces of talent development, succession and sustainability rather than as broad-based transformative work (Jivan, 2020).

During interviews, stakeholders stated that some skills development programmes offered by education and training providers are not relevant to what the industry needs. An employer stated that "they should structure their programmes in a way in that people are upskilled in these scarce skills that we are looking for".

Furthermore, businesses spend time upskilling employees, whether it is via formal education and training programmes or on-the job training to gain experience. This takes time and money, and increasingly they are being poached and the process needs to start all over again. In addition, one stakeholder stated that experienced professionals between the age of 50-55 are leaving for international opportunities thereby increasing the need for training of more staff.

One training provider stated that it is a challenge to keep people's attention during courses – "Throughout the process. It seems that attention spans are shorter, and I think it is from wellness and general exhaustion because of the pace at which things are moving and just the volume of things that happening at the same time". Another challenge for providers is internet connectivity. Many of them went online, and coupled with loadshedding schedules, students are not able to complete assessments. They are experiencing a low pass rate for online assessments.

7 CONCLUSION AND RECOMMENDATIONS

This study aimed to answer the following research questions:

- How is the manager's job in the banking and alternative banking subsectors changing?
- What new skills do managers in the banking sector require?
- Will technologies make the jobs of managers redundant in the near to long future?
- Which management development models are appropriate to use in the banking and alternative banking subsectors?

Managers in the banking and alternative banking subsectors need to manage the ever-changing banking sector environment. Key change drivers in the sector include technological advancements, increased competition, increased regulation, changing customer expectations, increased need for information security, and sustainable banking. Managers are crucial in steering organisations to change and grow in line with other economic sectors and evolving developments in the sector.

This research shows that Managers need technical skills and knowledge of business operations; however, the role of managers is shifting towards a focus on managing individuals rather than managing business processes. Managers therefore need to lead people individually, “people's abilities, affinities, personalities, personal challenges”, and to get the best out of them. Including an increased focus on “employee health, well-being...generational differences, diversity and inclusivity”.

As such, Managers need skills such as change management, diversity management, agile leadership, motivational skills, team leadership skills, communication skills, active listening skills, managing new generations, coupled with technical skills, critical thinking skills, data literacy and analysis skills, risk management skills, amongst others.

Regarding redundancy, stakeholders in the sector state that Managers will remain relevant in the future. Some even state Managers are more critical to the sector because of the current changes. However, it is acknowledged that specific roles and responsibilities of Managers will change. Survey data show that technological advancements impact particular roles and responsibilities of managers, more so in the alternative banking subsector than the banking subsector. These include performance reviews, project time management, team building, strategic decision-making, and conflict management. It is emphasised that the role of Managers in people management will remain critical – “How you manage people, their personalities, behaviours, personal circumstances, is not something that technological advancement is going to impact directly”.

The survey responses also show that in both the banking subsector and the alternative banking subsector, organisations allow managers to develop internal and external capacity. It should be noted that all banking sector employers indicated that managers are authorised to build capacity internally and externally. However, regarding alternative banking sector employers, 92.3% indicated that they allow managers to develop capabilities internally, and 76.3% indicated that they allow managers to build capacity externally. For internal capacity development, coaching, mentorship and shadow learning are critical. In terms of external capacity development for managers, banking subsector employers fund training programmes (100% of employers indicating), bursary programmes (100%), and workshop and conference attendance (75% each). Alternative banking subsector employers primarily fund training programmes (72.4%) and workshop attendance (58.6%).

Employers indicated that, in general, banking subsector and alternative banking subsector employers upskill managers by using a hybrid approach, incorporating internal and external methods. However, it should be noted that for alternative banking subsector employers, there is a more significant emphasis on internal practices such as coaching and mentoring being necessary for the development of managers.

A common theme from the research is that managers require ongoing development t at their jobs in the long term – "Management or executive development is a long-term educational future-oriented process" (Sakshi, n.d).

Also, managers require customisation of management development approaches for individual manager competencies. Depending on the knowledge and skills requirement of managers at any given organisation in the banking and alternative banking subsectors, management development should be formalised but flexible enough to allow for customisation.

7.1 Recommendations

The research shows that Managers in both the banking and alternative banking sectors need skills. Also, internal and external management development models are currently used in the sector to provide those skills. However, a challenge with some of these programmes are generic and need to be customised to the needs of Managers.

Thus, a recommendation to the BANKSETA is that the SETA hosts a series of feedback sessions/stakeholder engagements to present the research to the banking and alternative banking sectors. Stakeholders could use this opportunity to begin conceptualising the training needed, list priority skills, and highlight potential training and capacity-building methods.

During the engagements, key stakeholders could also decide on various partnerships to aid with their programmes, such as universities, colleges and other education and training providers. They could also use these engagements to build partnerships between alternative and traditional banking institutions.

It is clear from the research that technological transformation in the sector requires managers to have ICT skills. In larger organisations, access to and funding for this upskilling is readily available; however, it is often not viable for employers to invest in such training in smaller companies.

It is recommended that the BANKSETA provide funding for smaller employers to upskill their managers in the various ICT skills needed in their operations.

The research found that larger employers have established management development programmes in place. This is not always true for smaller employers.

It is recommended that the SETA augment what larger employers are already doing with management development programmes, especially to promote equity.

Education and training providers need the latest technological platforms for education and training. However, some require the necessary infrastructure to facilitate education and training in line with the latest developments in the sector.

It is recommended that the BANKSETA identify partnerships to aid with developing the appropriate infrastructure for training providers to facilitate education and training.

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