

SKILLS DEVELOPMENT IN THE FINANCIAL AND ACCOUNTING SERVICES SECTOR

EXECUTIVE SUMMARY

**Elize van Zyl
Renette du Toit
Karin Fourie**

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BACKGROUND, OBJECTIVES AND METHODOLOGY

This study was commissioned by the Financial and Accounting Services Sector Education and Training Authority (Fasset), with the main aim of providing the SETA with a detailed profile of the sector that it serves, a description of education and training provision in the sector, and a description of its skills needs and requirements. The more specific objectives were to:

- a) describe the sector and its constituent sub-sectors in terms of
 - the total number of employers associated with the sector;
 - total turnover and salary bill;
 - geographical distribution;
 - employee profile, including
 - employment status
 - population group
 - gender
 - age
 - qualification level
 - disability and
 - wage levels;
- (b) describe the professional associations and training institutions active in the sector and their respective roles in and contributions to the development of skills in the sector;
- (c) determine the education and training supply to the sector;
- (d) identify skills needs and skills gaps in the sector;
- (e) describe the sector's involvement in projects and programmes to prevent and combat HIV/AIDS; and
- (f) identify and describe any special human resources development projects in the sector.

A secondary objective of the study was to develop a database of stakeholders in the sector who would be willing to participate in future studies for Fasset.

The study comprised an employer survey in which 1 261 organisations participated, a survey of the 15 professional bodies active in the sector, and a survey of 31 public and 19 private education and training providers. A total of 59 learners who were already working in the sector were also interviewed while another 40 learners who were still at university or technikon participated in focus groups. In addition to this, various data sources were analysed in order to augment the survey data and to provide macro perspectives on certain issues. These data sources include workplace skills plans (WSPs) and workplace skills plans implementation reports (WSPIGs) submitted to Fasset for the year 2001/2002, the HSRC survey of graduate incomes, the Department of Education's "South African Post-secondary Education Information System" (SAPSE) and the Department's "Higher Education Management Information System" (HEMIS). Information from the September 2001 Labour Force Survey (LFS) was also used (Statistics South Africa).

The study established that the sector consists of approximately 7 200 organisations that employ approximately 92 000 people (1 % of total employment in the formal sector in South Africa). The majority of organisations in the sector (63 %) are very small and employ five or fewer people. Another 30 % employ between 6 and 20 people and 4 % have between 21 and 50 employees. Organisations with more than 50 employees constitute only 3 % of the organisations in the sector, but they employ 56 % of all the workers.

The annual turnover of the sector was estimated to be R62 billion. As most of the organisations in the sector are small, the largest portion of them (44 %) reported an annual turnover of between R200 000 and R2 million. Only 1 % of organisations reported a turnover in excess of R20 million per year. The annual salary bill for the sector was estimated at R9,7 billion.

For the purpose of this study, organisations in the sector were grouped into seven sub-sectors. These are:

- Investment Entities and Trusts and Company Secretary Services;
- Stock Broking and Financial Markets;
- Development Organisations;
- Accounting, Bookkeeping, Auditing and Tax Services;
- Activities Auxiliary to Financial Intermediation;
- Business and Management Consulting Services; and
- SARS and Government Departments.

The relative contribution of each of the sub-sectors to the turnover, salaries paid, organisations and employment is summarised in the table below. The sector consisting of The South African Revenue Service (SARS) and government departments was omitted because of their low response to the employer survey.

Percentage contribution of sub-sectors to turnover, total salary bill, organisations and employment (ranking in brackets.)

Sub-sector	Turnover		Salary Bill		Organisations		Employment	
Investment Entities and Trusts and Company Secretary Service	37 %	(1)	10 %	(3)	20 %	(2)	18 %	(2)
Stock Broking and Financial Markets	29 %	(2)	45 %	(1)	13 %	(4)	14 %	(3)
Development Organisations	4 %	(5)	1 %	(5)	3 %	(6)	2 %	(6)
Accounting, Bookkeeping, Auditing and Tax Services	19 %	(3)	27 %	(2)	44 %	(1)	49 %	(1)
Activities Auxiliary to Financial Intermediation	7 %	(4)	7 %	(4)	14 %	(3)	7 %	(5)
Business and Management Consulting Services	4 %	(5)	10 %	(3)	6 %	(5)	10 %	(4)
Total	100 %		100 %		100 %		100 %	

The study furthermore showed that the sector is concentrated in Gauteng, with 56 % of the workforce based in this province. This is followed by the Western Cape (18 %) and KwaZulu-Natal (10 %). The Eastern Cape and Free State each accommodates 4 % of employees while North West, Limpopo, Northern Cape and Mpumalanga each has 2 % of employees.

There are slightly more women (56 %) working in the sector than men (44 %). Most of the administrative and clerical workers (83 %) are women while most of the managers (68 %) are men. In the other occupational groups men and women are more or less equally represented. Of all the workers in the sector 66 % are White. More than 80 % of the managers and 70 % of professionals are White. (The racial composition of the sector would, however, have looked somewhat different if a better response rate had been achieved in the sub-sector consisting of SARS and government departments.) Workers in the sector are relatively young, with 63 % of them 35 or younger.

The educational profile of the sector reveals that more than 70 % of workers have post-matric qualifications. As many as 22 % have first degrees or higher diplomas while another 18 % hold Honours or Master's degrees. Only 2,7 % of workers have qualifications lower than grade 9 or ABET (Adult Basic Education and Training) level 4, which means they might benefit from

Adult Basic Education and Training. These workers are mainly employed in clerical or administrative positions (32 %) or work in elementary occupations as cleaners, gardeners and tea ladies (46 %), for example.

The high incidence of small businesses in the sector is reflected in the high percentage (24 %) of the workers employed in the occupational category of Legislators, Senior Officials, Managers and Owner managers. Professionals constitute 19 % of the workforce, Technicians and Associate Professionals 6 % and Clerks and Administrative Workers 32 %. Occupational categories were assigned to the job titles provided by employers. These might differ from the categories assigned by employers themselves in the WSPs. Distinctions between Professionals and Technicians and Associate Professionals, on the one hand, and between Technicians and Associate Professionals and Clerical and Administrative Workers, on the other, are sometimes vague. The sector employs very few disabled people (0,6 % of the total workforce).

THE ROLE OF PROFESSIONAL BODIES IN THE SECTOR

The Financial and Accounting Services Sector is highly professionalised and various professions play a leading role in the sector. There are 15 professional bodies closely associated with Fasset and all of them, with the exception of one, participated in this research project.

Professional bodies play a central role in the development of skills for and in the sector. Their contributions to skills development include the setting of educational standards, the accreditation of training institutions, the development of curricula, the provision and distribution of learning materials, the setting of examinations, the assessment of practical experience, organising conferences, seminars and workshops, and distributing new knowledge and information through the publication of journals and newsletters.

Only a few of the professional bodies see themselves as training institutions. However, their engagement and close relationships with training institutions were evident from the information collected in this study, and it is clear that these bodies are instrumental in the development and maintenance of very high and, in many cases, internationally recognised standards of education and training. These bodies also play a key role in the development and promotion of ethical behaviour among their members and most of them are actively involved in informing their members of the host of legislative requirements applicable to financial services in the country.

The membership profiles of the professional bodies to a large extent reflect the fact that Black people (Africans, Indians and Coloureds) are under-represented in finance-related professions. Although many of the special human resource development projects are aimed at addressing this problem, progress seems slow.

The recognition of prior learning is an issue that still needs to be thoroughly investigated. With the exception of one or two, none of the professional bodies has yet developed any practical mechanisms to deal with this matter.

EDUCATION AND TRAINING SUPPLY TO THE SECTOR

As more than 70 % of workers in the sector have post-matric qualifications the main source of skills development in and for the sector is the formal education provided by higher education and training (HET) institutions. (This includes all the universities, technikons and registered private higher education institutions.) Further education and training (FET) institutions (technical and private colleges) also contribute to skills development in the sector, but they play a less significant role. The education and training provided by HET and FET institutions are augmented by formal education and continuing professional development (CPD) provided by professional bodies; and in-service training provided by employers and the public and private training providers contracted by employers.

Universities

The fields of study most relevant to the sector are: accounting, cost and management accounting, financial accounting, business and financial management, auditing, financial information systems, and taxation. All the universities in South Africa, except Medunsa (Medical University of South Africa), provide education in some or all of these fields of study. Business schools based at some of the universities also offer post-graduate programmes in business administration.

In the period 1991 to 2000 a total of 50 000 students obtained first Bachelor's degrees (three-year degrees) in the fields of study mentioned above. On average, student output at this qualification level increased by 3 % per year. At the level of Professional Bachelor's (four-year degrees) and Honours degrees the total number of graduates was almost 34 000 over the ten-year period and on average the number of students increased by 7 % per year. Master's degrees amounted to 9 000 over the ten-year period and graduate numbers at this level increased by 10 % per year. Only 395 people received doctoral degrees. Student numbers at this level remained the same over the period. The population group and gender mix of students who graduated in the relevant fields changed substantially over the period – especially at the level of first Bachelor's degrees. Women graduates increased from 36 % to almost 50 % and African students increased from 7 % to 30 %.

Technikons

All the technikons offer training in business, commerce and management sciences. The specific specialisations offered at technikons are cost and management accounting, financial accounting, internal auditing, financial information systems, and financial management. Some of the technikons also offer training towards the Chartered Secretaries and Administrators (CIS) qualification.

The contribution of technikons lies mainly at the level of National Diplomas, Higher Diplomas and BTech Degrees. In the ten-year period from 1991 to 2000 more than 41 000 National Diplomas in relevant fields were awarded by South African technikons. The total number of

Higher Diplomas and BTech Degrees was nearly 7 000. The contribution of technikons at the Master's diploma or degree level was very small – only 135 graduates over the total period.

The growth in the number of students who graduated over the ten-year period provides evidence of the growth in institutional capacity that took place at technikons. The average annual growth in National Diplomas was 9 %, while output in Higher Diplomas and BTech Degrees increased on average by 21 % per year. A dramatic shift occurred in the population groups served by technikons. At National Diploma level African graduates increased from 4 % to 57 %, and at Higher Diploma and BTech level from 3 % to 36 %.

Private HET institutions

There were 111 private higher education institutions registered with the Department of Education on 9 September 2002. These institutions offer mostly certificates and diplomas that fall within levels 5 and 6 on the National Qualifications Framework (NQF). Twenty of the currently registered private institutions provide training relevant to the Financial and Accounting Services Sector.

Employers' contribution to skills development in the sector

The role that employers play in the upgrading of skills in the sector is evident from the WSPIGs that they submitted to Fasset for the year 2001/2002. A total of 685 organisations submitted these reports in order to claim back a portion of the skills development levy that they had paid. According to these reports they had spent R114 million on training and had offered approximately 20 000 training interventions. They also reported that they had trained almost 34 000 people – more or less their total workforce. Although the implementation of the NQF is still in its infancy, employers tried to indicate the NQF levels of the training interventions that they had offered. Almost half of the training interventions (48 %) were at NQF levels 5 and 6. Seven percent were at NQF level 7.

The five areas of skills on which most money was spent and in which most people were trained are:

- specialist financial skills;
- management and leadership development;
- client service;
- information technology; and
- support and administrative skills.

The beneficiaries of training provided by employers were concentrated in the four most skilled classes of workers. The fact that most of the beneficiaries of training were White men is a reflection of the demographic profile of the sector.

The total picture sketched by the WSPIGs is that employers are actively involved in the provision of training and development opportunities to their staff and that they use a vast

number of training institutions to fulfil their specific training needs. The higher education institutions and the professional bodies play a significant role in the provision of in-service training and CPD of employees. A large proportion of in-service training is, however, provided in-house by employers themselves.

Another way in which employers contribute to skills development in the sector is by making bursaries available. In the employer survey, 10 % of employers indicated that they have bursary schemes. Eight percent offer bursaries to their employees, 4 % to outside candidates and 1 % to children of employees.

Factors affecting access to education and training

An important point of focus of this study was access to education and training. In South Africa, with its history of exclusion of people from educational and work opportunities, it is necessary to monitor constantly the extent to which opportunities are open to potential candidates and the factors that inhibit their participation in education and training.

Nearly a third of the training institutions that participated in the study indicated that they place restrictions on the number of learners who are allowed to enrol. The major reason for this is limited facilities.

The poor socio-economic circumstances of learners is a major constraint that limits the access of many potential learners, especially from the disadvantaged population groups. Respondents from the educational institutions, the professional bodies, and learners themselves identified this as one of the most important of the factors that limit the supply of skilled human resources to the sector. Financial problems not only prevent learners with potential from presenting themselves at the training institutions, but also contribute to high drop-out rates and prolonged periods of study.

The poor quality of school education was also identified as a major constraint in the development of skills for the sector. One aspect of the problem is the relatively small numbers of students who matriculate with mathematics and accounting as subjects. Most of those who do pass achieve low passing symbols. Training institutions also stated that even students who have passed matric with relatively high symbols do not seem to have the expected level of knowledge of the subjects. Another aspect of the problem of insufficient school education is the lack of English language proficiency among learners. English is a second or third language for most learners and is the language of tuition at all institutions. Naturally learners' lack of English skills will hamper their academic progress.

The absence of career guidance at school level is another factor that inhibits access to education and training. School leavers have very little knowledge of careers in the financial services field. The majority of school children never have the opportunity to see financial specialists at work. They also have very little exposure to the business world and have no role models to inspire and motivate them to choose careers in this field. The tertiary institutions themselves do much

to overcome this problem and to reach out to prospective candidates by means of career guidance and information to prospective learners.

Other factors that inhibit access to education and training are a shortage of computer equipment and facilities at training institutions and the fact that some learners find it difficult to get transport to educational institutions.

Strategies to overcome problems of access and achievement

Almost all the educational institutions have in place strategies to assist learners from academically deprived backgrounds. These strategies include additional practical assignments and tutorials, the appointment of learner advisors or facilitators, extra lessons, small classes, one-on-one consultations, teaching learners how to study, and simulation exercises. Some of the institutions are also involved in strategies such as teacher training programmes, which are aimed at improving education at secondary school level.

Strategies to improve education and training in the sector

Education and training institutions are continuously looking at ways to improve the quality of the education they offer. Initiatives in this regard include the development of lecturing staff through short courses, involvement in research and conferences, the establishment of educational committees that perform evaluations, liaison with employers and professional bodies to keep up to date with new developments in the financial services field, and peer reviews and external examinations in order to maintain and upgrade standards. Furthermore, nearly half of the institutions that participated in the study indicated that they have international contacts and that these also play a crucial role in improving education and training standards.

A factor that militates against the improvement of educational standards is the fierce competition in terms of salaries from organisations outside the education sector, which makes it difficult for educational institutions to retain their best lecturing staff.

Views of learners on education and training

Learners were included in this study in order to obtain their views on the value of initial and further training opportunities, the strengths and weaknesses of the education and training system, training assistance and support and needs, major gaps, and problems experienced in the education and training system. The term “learner” is used to refer to employees involved in training (those registered on learnerships and those more informally involved in in-service training) as well as learners who are still studying at universities or technikons.

The learners who participated in the study were generally of the opinion that the initial education that they received was of a high standard and that it was applicable to the work situation. Once in the work situation most employees are supported by their employers to further their education and to improve their skills. Support in the work situation takes various

forms; for example, financial support through bursaries and loans, study leave, academic and practical support from senior colleagues, internal discussions of relevant issues, the use of employers' facilities, time to study and permission to attend lectures during office hours. Employees in small organisations sometimes experience difficulties in attending training because of work pressure and financial constraints of the employer. Most of the learners who are already in employment experience training needs. The areas that they identified include further training in relevant computer software, softer skills such as those involved in communication, client liaison, customer service, negotiation and facilitation, and management and human resources. Learners also indicated that they need technical information and development in their specific fields of specialisation.

Most of the learners were positive about work prospects in the sector. Their personal decisions to remain in the sector or to leave will be influenced mainly by financial compensation. Other factors that may also play a role are employment opportunities and the demand for their skills, the economic situation in the country, the security situation in the country (e.g. the level of crime and violence),

HIV/AIDS awareness and education in the sector

Almost all the public institutions (universities, technikons and technical colleges) and a third of the private training institutions offer HIV/AIDS awareness programmes to their students. Lecturers receive less attention in this regard. These programmes include the distribution of brochures, workshop presentations, videos and counselling.

Only a very small number of the learners who are already working reported that they are involved in HIV/AIDS awareness and support programmes at their firms. They did, however, express the need for such programmes.

SKILLS NEEDS OF THE SECTOR

In this study three terms were used to describe the different aspects of skills needs of the sector. The first is "skills shortages". This term refers to a situation where employers cannot find suitable candidates to appoint to specific occupations or posts in their organisations. These posts will remain vacant for prolonged periods of time and may eventually be filled with people who do not possess the necessary qualifications, skills or other attributes sought by the employers. The second term is "skills gaps" and refers to specific areas of knowledge and ability that are not sufficiently available among the existing workforce. This may be the result of insufficient education or training of workers before they enter the labour market or it may stem from changes and new demands in the work environment to which the workforce has not yet adapted. The third term is "priority area of skills development". This term refers to skills needed by members of the workforce in order for them to improve their productivity, to keep abreast with developments in the sector and/or the respective professional fields and for workers to advance their individual careers. Priority areas of skills development may include

skills gaps and efforts to compensate for skills shortages but it is a broader concept than both of these.

Skills shortages

Both the employer survey and the WSPs submitted by employers to Fasset for the year 2001/2002 indicated that employers experience skills shortages. These span a wide spectrum of occupations – some for which training periods are generally short and for which employers should be able to train staff themselves. Shortages of highly skilled professionals and specialists, however, pose real problems to the sector as the lead time to train people in these areas is long. The shortages identified in the study relate specifically to the need for more Black people with the prerequisite qualifications and to specific kinds of work experience required by employers.

The shortages that are experienced are the result of factors that occur on both the demand and supply sides of the market. On the demand side shortages result from an increase in the demand for financial services, which is linked to a growing economy and more stringent administrative, regulatory and tax requirements imposed on organisations, an increase in the demand for financial skills in other sectors of the economy, and a tendency for organisations to outsource all or some of their financial functions. Some respondents maintained that the shortages of professionals, at least in part, stem from a too low ratio of technicians to professionals and an inappropriate division of functions between technicians and professionals that lead to the under-utilisation of professional expertise.

On the supply side there are not enough students who progress up to honours level in the relevant fields, of which one is accounting. These supply constraints relate back to the number of learners who matriculate with mathematics and accounting at higher grade and the subsequent throughput of learners through the higher education system. Some of the respondents to this study were of the opinion that professional bodies contribute to the supply constraints by setting some of the professional requirements unrealistically high, without making sufficient provision for career progression that starts at lower qualification levels.

Skills gaps

Employers who participated in the employer survey were asked to identify the areas of skill that are not sufficiently present in the current workforce. At the top of their list are basic computer skills. This is followed by general accounting skills and knowledge of taxation.

Priority areas of skills development

Information on the priority areas for skills development was gleaned from the WSPs submitted to Fasset for the 2001/2002 financial year. Priority areas were ranked according to the numbers of people that employers intended to train in each of them. The top priority area was specialist financial skills in which employers planned to train some 13 000 people. The second most

important priority area was information technology followed by management and leadership skills.

THE FUTURE DEMAND FOR AND SUPPLY OF LABOUR IN THE SECTOR

The report gives a broad overview of the possible future demand for labour in and the supply of labour to the Financial and Accounting Services Sector. The sector has in recent years been an area of high economic and employment growth, and projections of the future demand for labour in the sector are based on the assumption that it will remain so in the near future.

A very crude demand projection model was developed in this study. The model takes into account possible scenarios of economic growth, employment elasticity (the percentage growth in employment for every 1 % economic growth), mortality in the sector, retirement, emigration and people leaving the sector or the labour market. Four projection scenarios were developed, ranging from a relatively pessimistic to a very optimistic scenario. All four scenarios, however, assume positive economic growth.

The demand projections indicate that under positive economic conditions a total of between 11 000 and 25 000 new employment opportunities may be created in the sector over the period 2002 to 2008. This represents growth in total employment of between 2 % and 4,1 % per annum. This growth is, however, not only dependent on conditions in the rest of the economy, but also on the availability of professionals and skilled workers as job creation in this sector is particularly dependent on their skills.

On the supply side the study shows that there is some spare capacity in the country in the form of unemployed graduates and diploma holders qualified in the fields of study mostly applicable to the Financial and Accounting Services Sector. However, these people may not possess the level of skills or the specialised skills needed by employers. It is also likely that the unemployed graduates are geographically incorrectly placed and do not have the means or ability to present themselves to the right employers.

The analyses presented in this report furthermore show that the universities and technikons make a substantive contribution to skills development in the sector and that the numbers of students who qualify in the relevant fields have grown over the past decade. The highest growth has occurred in the technikon sector. It is, however, unlikely that the growth of this sector can continue at the same pace in the longer term, because, on the one hand the market will reach a point of saturation and on the other the current facilities are approaching maximum capacity.

The emigration of people qualified for the financial services field is a cause for concern. The rate of emigration of people qualified in accounting and related fields has soared over the past couple of years. At the same time the immigration of professionals and skilled workers in this field has dropped substantially and makes no contribution to the skills base in South Africa.

No attempt was made in the report to compare the future supply of and demand for labour in the sector. Such a comparison is impossible because the sector does not draw its labour from any discrete source, but shares - along with the rest of the economy - in the total pool of labour skilled in financial and related fields. Nevertheless, the total quantitative picture sketched indicates that the output from the tertiary institutions should be sufficient to provide for the needs of the country. The problem lies, however, with the fields of specialisation and the levels at which graduates exit the higher education system. There are not enough people at post-graduate level who enter the professional learnerships.

CONCLUSIONS

Composition of the sector

An important characteristic of the sector is the existence of a large number of very small organisations. In terms of skills development, small organisations are often limited in the resources (financial as well as time) that they can make available for education and training. They are also constrained in terms of the time and energy that they can allocate to administrative procedures such as the submission of WSPs. It is thus quite possible that these organisations will remain on the periphery of skills development initiatives. This situation may be exacerbated by the fact that small organisations are geographically dispersed and are therefore less exposed to information on and for the sector. The challenge that faces Fasset is, thus, to create value for small businesses out of the skills levies and to develop communication and information strategies that will bring these organisations into the ambit of skills development initiatives and opportunities.

The Financial and Accounting Services Sector employs a highly skilled workforce of whom more than 70 % are qualified at NQF level 5 and above. Conversely, workers in need of ABET are relatively small in number. The ones that are employed in the sector are mostly at ABET level 3. Interventions to improve their qualification levels thus need to be focused at this level. The fact that most of the workers with qualifications that are at NQF level 1 are women also needs to be taken into consideration. Many of these women may have, in addition to their work, domestic and child-care responsibilities, which may limit the time and energy available for education and training.

The under-representation of Black professionals in the sector not only reflects a lack of transformation, but it may indeed stifle the growth of the sector. The sector is highly dependent on professionals in order to expand and to create employment for others. It, therefore, needs to look closely at the reasons for the slow growth in numbers of Black professionals and to find ways to remedy the situation.

Skills shortages and mismatches of skills

Most of the labour market signals that were considered (vacancies that cannot be filled, employers' and professional bodies' opinions and salary trends) indicated that there are indeed shortages of certain skills in the sector. Yet some contradictory evidence was found in the national statistics, which revealed relatively high levels of unemployment among Black graduates in the relevant fields. This is probably an indication of other problems in the labour market, such as a mismatch between the skills and experience required by employers and those that are available. It may also be indicative of problems in relation to matching potential candidates and employers.

The latter situation seems to be a real problem. It is important to take into consideration the total life situations of learners from disadvantaged communities. More often than not they come from very poor socio-economic circumstances and study with the financial assistance of relatives and friends. Most of them have very few connections with the formal labour market – let alone institutions that mainly employ highly skilled professionals. In general, these learners lack the skills, the courage and the opportunity to present themselves in person to potential employers. Their problems are often compounded by the lack of resources, such as money for transport. From the employers' point of view the total lack of work experience, as well as other limitations, makes young graduates from disadvantaged circumstances less attractive as potential employees. For this reason, one of the challenges facing the sector is to find ways to bridge gaps and to harness this untapped resource to the long-term advantage of the sector. Solutions that may be considered include practical placements with employers of learners in their senior years of study; the establishment of more non-traditional learnerships, especially with smaller businesses; and the establishment of recruitment facilities at or close to the higher education institutions. The provision of special financial assistance for learners from disadvantaged communities to continue with post-graduate studies and to attain professional qualifications also needs to be considered.

As far as skills shortages are concerned, the sector cannot be viewed in isolation. Financial and related skills are used in all sectors of the economy and from the information considered in this study it seems as if the perceived skills shortages are not only the result of growth in the demand for financial services but are, to a large extent, the result of an increase in the demand for financial skills in the public sector and in commerce and industry. Other sectors should thus also become involved in enhancing the financial skills base in South Africa.

Structuring of functions and utilisation of highly skilled professionals

Closely related to the notion of skills shortages is the question of how people with training in the financial fields are utilised. From different quarters comments were made about the less-than-optimal utilisation of skilled professionals. This problem seems to have two components to it. One component is a tendency of employers to use qualified professionals for tasks that can be fulfilled by technicians or even administrative staff, because it makes them (the

employers) feel more comfortable. The other is a tendency to employ too few technicians and administrative support staff in relation to professionals and thus tie up professional time in mundane or routine tasks.

If this situation really exists, it may contribute to shortages of skilled workers. In this study it was possible to record only the perceptions of role players. The issue may warrant further investigation.

Skills gaps and skills development priorities

The study revealed definite gaps in the skills of the current workforce, and certain areas that need continuous updating. It was interesting to note how particular themes occurred through all the different surveys.

The first and most obvious need is for training in specialist financial fields. Training needs tend to be specific to particular occupations and workplaces. The CPD opportunities provided by the professional bodies in collaboration with the institutions for higher education and innumerable private training institutions, consultancies and individuals play a very important part in the development of specialist financial skills.

The second area is the need for computer literacy and the development of computer skills across all occupational categories. The sector is faced with rapid computerisation of functions and the workforce has not kept up with these technological changes.

The third area of skills need is that of non-financial or so-called “soft” skills. This term refers to skills necessary to work with people at different levels: oral and written communication skills, presentation skills, client service orientation and skills, etc.

The last area of skills development, and one that is most important in the sector, is the area of managerial skills. The large number of small organisations in the sector means that, apart from being entrepreneurial, young professionals have to manage all aspects of their businesses, often without any formal management training. Workers in the sector are also relatively young, which means that people often have to take on managerial responsibilities before they can develop the necessary skills through experience and observation of skilled managers. The need for managerial skills is exacerbated by a rapidly changing and highly competitive global economy. Employment equity goals introduce the challenge to develop management talent among the designated groups (women and Black people).

The extent and quality of education and training

The overall impression gleaned from all the surveys is that the provision of education and training to the sector is comprehensive and generally of a very high standard. The role that the professional bodies play in maintaining these standards should not be underestimated.

The fact that the financial services of the country should be of internationally acceptable standards in order to attract investment and stimulate economic growth is undisputed and,

therefore, role players in the sector cannot afford to compromise professional standards or standards of education and training. However, the sector is faced with the realities of too few learners from the previously disadvantaged groups moving up to the higher professional qualification levels. The challenge is thus to remove all unnecessary obstacles and to maximise support to these individuals without compromising standards.

Barriers to entry to education and training

The quality of secondary school education – especially in the fields of mathematics, accounting and English – is a major constraint that causes the institutions of higher education to provide a myriad academic support programmes. It seems as if the need for these programmes will remain for a long time to come and that the tertiary education institutions need to be supported and resourced to continue with these programmes in the short to medium term.

To alleviate the situation in the longer term, interventions should be aimed at the secondary school system itself. Some of the tertiary institutions are already involved in teacher education and training – especially in the fields of mathematics and accounting. Support to continue with these interventions is something the sector should consider.

Career guidance can play a pivotal role in directing potential students with the necessary talent and interest towards careers in the financial field. Although most of the public education institutions provide some form of career guidance, these services are not specific enough to the financial services field.

CONCLUDING REMARKS

A vast amount of information was collected in this project. The most salient components of the information were analysed and presented in the body text of the report. Much of the detail, however, had to be relegated to annexures. The raw data are left with Fasset in databases that can be analysed for other purposes if necessary. The general impression gleaned from this study is that this sector has a strong history of skills development but that there are various areas that require focused attention and improvement.