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Occupations and their relationship to education and training within the microfinance sector in South Africa: the case of loan officers

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ABSTRACT

Few black South Africans had access to financial services before 1994. This was exacerbated by the legalisation of apartheid laws in 1954. Microfinance was introduced and positioned as a bridge to access financial services for poor and working-class people, and includes credit, deposit-taking facilities, money transfers or remittances and insurance products (Coetzee, 2010). This introduction of microfinance enabled the post-apartheid government to improve access to an assortment of financial products – not just credit – to a majority of poor black people. The interface between microfinance institutions and consumers is mainly through loan officers, who are tasked with marketing and selling microfinance products, the screening of clients, assessing clients for affordability and processing loan applications.

The microfinance industry has, however, changed over the past years, mainly as a result of legislative reforms and technological advances, which had a subsequent impact on loan provision and the industry's occupations. This research investigates how these changes have impacted on the traditional role of loan officers and how the change has influenced their education and training. Data was collected by administering questionnaires and conducted interviews with industry experts and loan officers, mainly to establish how occupational change occurred within the industry and how this change influenced the training to prepare loan officers for work and to upskill those already employed.

Occupational change goes hand in hand with an increase in skill and competency, and the research shows that the role of the occupation has developed from a simple role in the early 1990s to a complex one as a result of legislative and technological changes. This required a need for competency to provide quality, ethical and compliant loans within a highly regulated environment and has implications on prior training as an entry requirement for new loan officers, and the upskilling of those already employed.

KEYWORDS: Occupations, occupational change, standardisation, education and training