



University of Venda
Creating Future Leaders

FINAL REPORT

CONSTRAINTS IN THE SETA'S FUNDING MODEL AND POSSIBLE MITIGATING STRATEGIES

Submitted to:



November 2024

EXECUTIVE SUMMARY

Introduction

The funding model for skills development in South Africa, led by SETA, is crucial for promoting skills development in the country. Nevertheless, multiple obstacles are associated with its performance and success, especially regarding its scope, synchronization with academic schedules, and operational effectiveness. This research investigates these limitations, specifically focusing on entities like TVET colleges, universities, and Non-Profit Organizations (NPOs).

Focus of the Study

The research aims to recognize the limitations of funding options offered by SETAs based on existing laws and criteria. The research evaluates how well the funding supports students' academic requirements, how it is managed in schools, and if it adequately covers tuition and other educational costs. In addition, it looks into how the funding period aligns with academic schedules and the availability of necessary services like life skills and mental health assistance.

Debates that Influenced the Study

Numerous debates currently taking place have impacted the course of this research. These discussions cover the bureaucracy involved in distributing funds, the sufficiency of skills levy payments, and the coordination of funding timelines with academic schedules. There is an ongoing discussion about whether bursaries cover all necessary expenses, including housing and mental health support, and tuition fees. The research also examines the difficulties of overseeing Work-Integrated Learning (WIL) programs and the partnership among SETAs, government entities, and private sector participants.

Clarification of the Project

This project aims to thoroughly assess the SETA funding model and how it affects skills development in South Africa. In detail, the research examines how well the existing funding meets the needs of students, caters to their academic and non-academic requirements, and follows the schedules of the institution. The research results aim to provide practical advice for enhancing the funding structure to benefit students and institutions, especially in the banking industry, through BANKSETA.

Approach and Methodology

The study utilized a combination of qualitative and quantitative approaches. A deliberate examination of published materials from DHET, NSF, and SETAs, such as annual reports and conference proceedings, was carried out. Furthermore, surveys containing closed and open-ended questionnaires were given to important stakeholders, such as representatives from the, BANKSETA, universities, TVET colleges, and NPOs. The data was primarily analysed via content analysis, with statistical analysis being done using SPSS. The aim of this approach was to collect detailed information on how effective SETA's funding model is in order to provide recommendations to BANKSETA and its management for their review and potential action.

Key Findings

i. Effectiveness

Bursaries have proven useful in assisting students, especially in TVET institutions, where most students are content with the financial support offered. Nevertheless, as indicated by the respondents, university students expressed dissatisfaction with the adequacy of bursaries, particularly regarding expenses beyond tuition, such as accommodation and textbooks. This underscores the importance of broadening bursary inclusion to cover all academic and necessary expenses, improving the efficiency of the funding structure.

ii. Efficiency

Efficiency challenges are encountered in managing SETA-funded projects, as institutions report administrative complexities and delays in disbursement of funds. These bureaucratic obstacles hinder the efficient completion of projects, affecting both student enrollment and access to resources. Improving the efficiency of fund management and project implementation could be greatly enhanced by simplifying administrative processes.

iii. Relevance

The SETA funding model's significance is diminished by its failure to fully address non-tuition expenses, like mental health services and life skills support. These services play a vital role in students' overall growth and achievement, but they are frequently excluded from the financial support provided. Adding these components to the bursary model would enhance the funding's alignment with students' comprehensive requirements.

iv. Sustainability

Insufficient funding, especially in institutions under BANKSETA, is jeopardizing the sustainability of WIL programs. Numerous WIL programs do not have enough funds to support all required activities, which hinders their lasting effectiveness. Securing sufficient funding and

ensuring alignment with institutional needs are crucial to maintaining the success and influence of WIL programs on student employability. Furthermore, filling in the gaps in mental health and life skills assistance will help improve the overall health and effectiveness of graduates, ultimately supporting SETA's larger goals for sustainability.

Recommendations for Improving the SETA Funding Model

i. Streamline Bureaucratic Processes

In order to enhance effectiveness, the system of distributing funds to SETAs should utilize and optimise the digital platforms. This will decrease administrative delays, speed up fund distribution, and improve the funding model's effectiveness by ensuring students and institutions receive timely financial assistance.

ii. Align Funding Periods with Academic Calendars

In order to enhance both importance and endurance, SETAs should implement funding contracts that span multiple years and coincide with the length of academic programs. This would guarantee that both students and institutions maintain financial stability during the academic period, improving the efficiency of funding and facilitating academic progression and project completion.

iii. Expand Bursary Coverage

Expanding the coverage of SETA bursaries to include vital non-tuition costs like housing, books, and mental health support would enhance their significance. Not only would this reduce financial stress on students, but it would also enhance their overall performance and health, leading to improved academic results and promoting the longevity of student achievement.

iv. Improve Management of Funding Projects

SETAs should create more defined guidelines and support capacity-building programs for institutions to enhance funding project management efficiency. This will decrease operational difficulties, improve efficiency in project completion, and guarantee that organizations can oversee finances in a more enduring manner, with minimal administrative hindrances.

v. Enhance Work-Integrated Learning (WIL) Program Funding

In order to guarantee the effectiveness and long-term viability of Work-Integrated Learning (WIL) programs, BANKSETA and other SETAs need to review their funding models to ensure that all essential activities are properly funded. This involves making sure that institutions have adequate resources to carry out successful WIL programs, which are important for enhancing skills and increasing job prospects.

vi. Strengthen Collaboration

In order to improve efficiency, importance, and longevity, SETAs need to promote more partnerships with government organizations, businesses, and schools. Enhanced collaboration will guarantee holistic assistance for students, synchronize skills training with industry demands, and enhance the effectiveness of skills development efforts in various sectors.

Study limitations

This research faced various constraints that could have affected the breadth and depth of the results. The study heavily depended on secondary data sources and existing literature due to lack of access to information, potentially missing out on recent developments or nuanced insights related to the effectiveness of the SETA funding model. Moreover, this limitation hindered the study from thoroughly examining how funds are allocated and distributed, which would have improved the evaluation of how efficiently funds are being utilized.

Another restriction involved the use of convenience sampling for stakeholder surveys, as access to certain stakeholders depended on their availability and willingness to take part. While being useful, this approach might have created bias in selection since only individuals available in the institutions were surveyed. As a result, some viewpoints, especially those of front-line workers responsible for carrying out funding initiatives, might not be adequately represented. This may impact the study's understanding of administrative and logistical difficulties within the funding system.

The short period for gathering and analysing data presented a major obstacle, since a longer time frame would have enabled a more thorough involvement with stakeholders and the collection of longitudinal data. This would have been extremely useful for analysing changes in funding effects among different institutions and regions throughout the years. In addition, due to time limitations, students were not able to participate in the survey, reducing the variety of viewpoints and ruling out the possibility of conducting further surveys to clarify answers and enhance the collected data.

Finally, findings may have been influenced by external factors like the current economic challenges and policy adjustments in the South African education and skills development sector. Changes in policy focus or financial limitations can impact funding choices and program results, creating unpredictability that was not considered in the study. The importance of continuous research and adaptable funding methods is emphasized to ensure that SETAs model stays in line with changing national skill and development requirements.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
Introduction	2
Focus of the Study.....	2
Debates that Influenced the Study.....	2
Clarification of the Project.....	2
Approach and Methodology.....	3
Key Findings.....	3
Recommendations for Improving the SETA Funding Model.....	4
Study limitations	5
LIST OF FIGURES	9
LIST TABLES	9
ACRONYMS/ABBREVIATIONS.....	10
CHAPTER 1: INTRODUCTION, DEBATES AND FOCUS OF THE STUDY.....	11
1.1. Introduction.....	11
1.2. Background.....	11
1.3. Study focus.....	13
1.4. Problem Statement.....	14
1.5. Purpose of Research	14
1.6. Research Specific Objectives	15
1.7. Research Questions	15
1.8. Research Justification.....	15
1.9. Definitions of Key Concepts.....	16
1.10. Structure.....	16
CHAPTER 2: METHODOLOGY APPLIED.....	18
2.1. Introduction.....	18
2.2. Research Paradigm.....	18
2.3. Research Design.....	18
2.4. Population and Sampling.....	20
2.5. Data Collection	21
2.6. Data Analysis.....	22
2.6.1. Quantitative Analysis.....	22
2.6.2. Qualitative Analysis.....	22
2.7. Reliability and Validity.....	22
2.8. Ethical Considerations.....	23
2.8.1. Informed Consent.....	23

2.8.2. Right to Privacy	23
2.8.3. Right to Dignity.....	23
2.8.4. Honesty.....	23
2.8.5. Voluntary Participation	24
2.9. Data Triangulation	24
2.9.1. Quality Assurance Strategy Applied to Ensure Data Quality.....	24
CHAPTER 3: LITERATURE REVIEW.....	26
3.1. Introduction.....	26
3.2. Functions and Objectives of BANKSETA	26
3.3. Policy, Strategies and Legislative Frameworks Underpinning Skills Development	28
3.3.1. Constitution of the Republic of South Africa, 1996.	28
3.3.2. No. 37 Of 2008: Skills Development Amendment Act, 2008.....	30
3.3.3. National Skills Development Strategy (2011-2016) NSDS III	30
3.3.4. National Skills Development Strategy and national Skills Development Plan .	32
3.3.5. Public Finance Management Act 1999.....	33
3.3.6. Skills Development Grant Regulation.....	34
3.3.7. Learnership Regulations	34
3.4. Work-Integrated Learning and SETA Funding in TVETs and Universities	35
3.4.1. Work-Integrated Learning and its Role in Skills Development	36
3.4.2. Types of SETA Funding for WIL Programs	36
3.5. Challenges in SETA Funding for WIL.....	37
3.6. The Impact of WIL on Employability and Industry Relevance.....	38
3.7. Challenges Experienced by BANKSETA.....	38
3.7.1. Complexity of Forecasting.....	39
3.7.2. Failure to Match Demand and Supply of Skills	39
3.7.3. Partnerships Challenges.....	40
3.8. SETA Performance and Standards	40
3.9. State of the Economy.....	41
3.10. COVID-19 and its effects on Service provision.....	42
3.11. Conclusion.....	42
CHAPTER 4: RESULTS	45
4.1. Introduction.....	45
4.2. Demographic Characteristics.....	45
4.3. Constraints on the Funding Opportunities by Current Legislations and Requirements	48
4.3.1. SETA Funding WIL Programs in TVET Colleges.....	49
4.4. SETA Funding model in universities	50
4.5. NPOs and SETA funding programs	52

4.6. BANKSETA and Funding Programs	53
4.7. Conclusion: Critique of SETA Funding Model	58
4.8. Final Critique of SETA Model	61
LIST OF REFERENCES	69

LIST OF FIGURES

<i>Figure 1: Operational standing of the SETAs</i>	13
<i>Figure 4.1: Demographic statistics of the participants</i>	46

LIST TABLES

<i>Table 4.1: SETA funding in TVET Colleges</i>	48
<i>Table 4.2: SETA Funding model in Various Universities</i>	50
<i>Table 4.3: NPOs perceptions on SETA funding</i>	52
<i>Table 4.4: BANKSETA and funding programs</i>	53
<i>Table 4.5. Key themes and subthemes regarding of constraints on the funding opportunities by current legislations and requirements</i>	55
<i>Table 4.6 Constraints, Deductions and Strategies</i>	59
<i>Table 4.7: Recommendations</i>	64

ACRONYMS/ABBREVIATIONS

BANKSETA	Banking Sector Education and Training Authority,
DQAF	Data Quality Assessment Framework
DHET	Department of Higher Education and Training
ETQA	Education and Training Quality Assurers
IMF	International Monetary Fund
NSDS	National Skills Development Strategy
NDP	National Development Plan
NGOs	Non-Governmental Organisation
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NPOs	Non-Profit Organisations
SAGNA	South African Government News Agency
SASQAF	South African Statistical Quality Assessment Framework
SETAs	Sector Education and Training Authorities
SPSS	Statistical Package for Social Scientists
TVET	Technical Vocational Education and Training
PFMA	Public Finance Management Act
WIL	Work-Integrated Learning

1.1. Introduction

This study explores how Sector Education and Training Authorities (SETAs) contribute to South Africa's skills development framework, organized into six main sections. The initial part of the study introduces its focus, situating it within SETA's role in enhancing skills development. It outlines the operational structure of SETAs and addresses the problem statement, connecting this study's results to those of a previous 2016 study by the Research Chair. The methodology section explains how data was gathered from different stakeholders, such as TVET colleges, universities, and NPOs, offering insights into the research processes utilized. The third part discusses the study results, emphasizing how SETAs are successful in overseeing workplace learning projects and supporting Work-Integrated Learning (WIL) programs, especially in placing learners in various industries.

In the fourth part, a comparison of results from various projects highlights important observations regarding the effectiveness of SETA funding, the extent of bursary coverage, and the synchronization of funding timelines with academic schedules. Section five focuses on the difficulties that students, institutions, and industries encounter when handling workplace learning, specifically discussing the effects of COVID-19 on these initiatives. This part also gives practical suggestions for enhancing the execution of workplace learning programs in TVET colleges and industries. In conclusion, the report summarizes important findings and provides suggestions to improve the SETA funding model, enhance workplace learning, and promote collaboration among SETAs, government, and industry stakeholders for improved skills development in various sectors.

1.2. Background

The SETAs have a crucial role in promoting skills development in South Africa's economy (South African Government News Agency, 2024). Founded in accordance with the Skills Development Act No. 97 of 1998, which was later modified in 2003, SETAs were created with various important duties. SETA is tasked with creating a detailed skills plan designed to address the requirements of their particular industries, as outlined in the official publication by the Department of Higher Education and Training in 2019. Furthermore, SETAs are responsible for putting into action the sector skills plan and advocating for different educational programs to guarantee that appropriate skills are developed throughout the workforce (DHET, 2019).

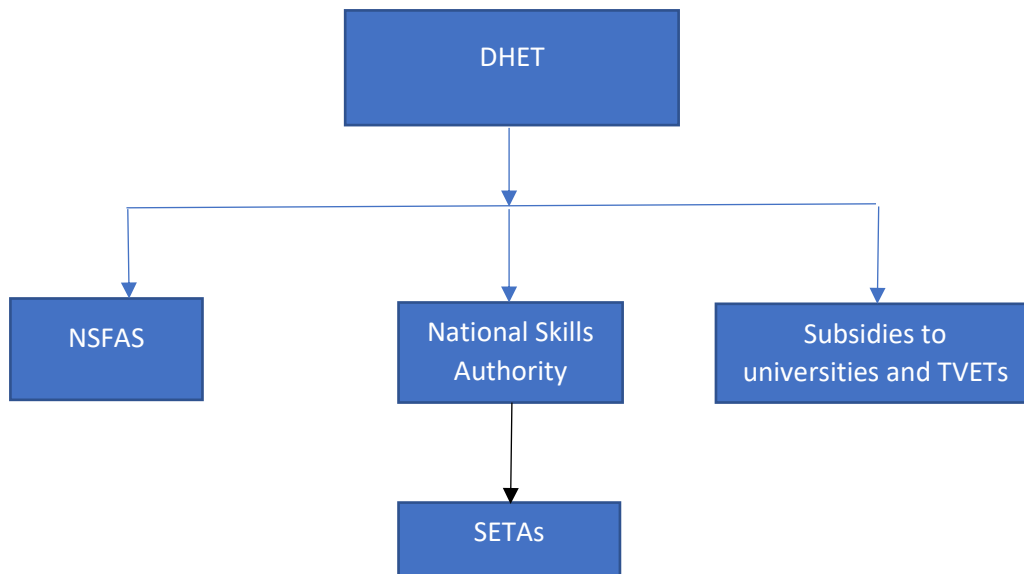
SETAs also have a crucial function in registering agreements for learning programs, guaranteeing that they adhere to industry standards and educational needs (Tsamontle, 2023). Afterwards, SETA is given additional responsibility to carry out certain tasks assigned to them by the Quality Council for Trades and Occupations, highlighting their role in monitoring and guaranteeing quality training and education in their relevant industries (Food Bev Manufacturing SETA, 2024). Another important role is distributing fees gathered from employers in their industry to support programs for developing skills. Additionally, SETAs work closely with the National Skills Fund (NSF) to ensure consistency in policy, strategy, and sector-specific skills plans essential for economic growth and sustainability (SAGNA, 2024).

It is crucial to highlight that the SETAs have a significant impact on the country's National Development Plan (NDP) 2030, which underscores the importance of a skilled workforce to reduce poverty and enhance equality in order for the plan to be successful. According to the statement made by SAGNA (2024), SETAs must guarantee enhancement of workplace skills and a sufficient provision of the necessary skills. Also, make sure that young individuals receive sufficient training to meet certain agreed-upon criteria. Additionally, supporting job creation and promoting entrepreneurship will help boost employment opportunities and cultivate a culture of continuous learning in South Africa (Ward & Eureka Rosenberg, 2020). Thus, SETAs (currently 21) have significantly contributed to skills development over time, providing bursaries, internships (apprenticeships), and workshops for school leavers, graduates, and the working class. As stated in the National Treasury report from 2023, the SETAs are considered extensions of the DHET and receive funding through the SD Act. The money is then overseen following the guidelines of the PFMA and its related rules, which also cover the Supply Chain Management Regulations. The direction of SETAs' work is also guided by the South African Qualifications Act No. 58 of 1995. According to this legislation, SETAs have the additional role of being Education and Training Quality Assurers (ETQA).

The SETAs have a wide range of responsibilities as described earlier. At times, SETAs are observed to be not meeting their obligation to offer skills training for the unemployed. However, some SETAs are not effectively handling the provided funding. Some work tasks may not be fully pursued as efficiently because of budget limitations. SETAs receive funding from the Department of Higher Education and Training (DHET) through the National Skills Fund (NSF), to which all 21 SETAs are accountable. Even though SETAs receive most of their funding from skills levies paid by companies in their sectors, they also depend on funding from the DHET which comes from various sources like donations, grants, allocations from NSF, income from investments and services, and other sources as stated in the Skills Development Act No. 97, 1998. SETAs are currently facing budgetary constraints that align with DHET's tight financial

commitments, which have been worsened by the increased demands from Higher Education institutions due to NSFAS.

Figure 1: Operational standing of the SETAs



Source: Authors' own development

Figure 1 shows where SETAs are positioned in the (DHET)'s overall organizational structure. The data emphasizes DHET's significant financial investments, including funding for NSFAS bursaries for students at TVET colleges and universities, as well as annual subsidies for these institutions. These financial aids encompass necessary elements like student tuition, academic assistance, and employee training. Furthermore, it demonstrates the funding designated for skills development initiatives to SETAs by the NSF.

BANKSETA, a key player among the 21 SETAs in South Africa, is highly visible. The bank sector's needs and requirements are closely considered in the focus on skills development, ensuring customized training and development to meet industry demands as they change. This alignment ensures that skills development initiatives not just target current gaps, but also predict future trends in the banking sector, aiding in its growth and competitiveness.

1.3. Study focus

This study examines the limitations in the SETAs funding model and how they affect meeting South Africa's skills development needs in the context of addressing skills shortages. The study delves into the intricate connection among SETAs, industry partners, and educational institutions, focusing on how financial difficulties impede the design, execution, and endurance of skills development programs intended to address unemployment and bridge the skills

shortage. The research closely analyses how the distribution, expenditure, and supervision of funds impact important tasks, like work-based training opportunities, the rollout of skills initiatives, and the general assistance given to industry-specific skills development initiatives. The objective is to identify key areas in the SETA funding model shortfalls and other factors, needing strategic interventions to enhance effectiveness and influence. Moreover, the research aims to assess how well different stakeholders comprehend the SETA funding procedures, considering that misunderstandings or lack of knowledge can impact the efficient allocation and use of funds. The study seeks to suggest ways to fill these gaps, improve SETA-funded programs, and address skills shortages and unemployment in South Africa.

1.4. Problem Statement

The main aim of setting up SETAs in South Africa was to meet the changing and varied skills development requirements of the country's economy. Each industry, made up of linked economic activities, is supported by its own SETA, like the BANKSETA for banking. Each SETA's main purpose is to recognize the exact skills needed in its industry and organize suitable training and development initiatives to fulfil these requirements. This is frequently done through a range of programs such as learnerships, internships, and other learning initiatives designed to enhance the skills of employees. Nevertheless, numerous SETAs are facing challenges in fulfilling their mandate, especially in offering essential skills training for the unemployed. South Africa still grapples with a notable lack of skills, a persistent issue that affects nearly all areas of the economy. Although the worldwide lack of skills is roughly 54%, South Africa's skills deficit is a concerning 34%. This lack of supply is made worse by the consistently high rate of unemployment, which remains a major obstacle for the economy of the country. Considering these problems, it is crucial to examine how much the current funding options for SETAs are limited by laws and regulations. Comprehending these constraints is crucial for creating successful mitigation plans that can strengthen the ability of SETAs to achieve their training goals and make a greater impact on decreasing unemployment and addressing the country's skills shortage.

1.5. Purpose of Research

The purpose of this research is to establish to what extent are the current funding opportunities constrained by current legislative frameworks and requirements, all these in the case of BANKSETA.

1.6. Research Specific Objectives

Following the purpose of research outlined above, research specific objectives are thus:

- To establish and identify the extent of constraints on the funding opportunities by current legislations and requirements;
- To identify strategies that higher education institutions can implement to assist with quick process;
- To make recommendations on strategies to improve funding opportunities.

1.7. Research Questions

In line with the topic and purpose of the research given above, the research questions are thus:

- To what extent are the current funding opportunities constrained by current legislative frameworks and requirements?
- What can higher education institutions do to assist with this process quicker and not once the need is no longer present?
- What solutions can be considered to assist organisations during these tough economic conditions to achieve this via SETA discretionary grant funding?

1.8. Research Justification

The economy of South Africa has faced a period of stagnation in recent times, characterized by limited growth, mainly attributed to a notable lack of skills among young people leaving school, recent graduates, and specific sectors of the labour force. The lack of necessary skills has added to the ongoing issue of high unemployment and poverty, hindering the country's economic advancement. The SETAs, especially BANKSETA, are strategically placed to tackle this problem with specific skills development projects. Nevertheless, their capacity to enhance influence is frequently limited by inadequate financial backing and strict legal structures. SETAs can improve their ability to support skills development by recognizing and dealing with limitations on funding options, especially those set by existing laws and regulations. With sufficient funding and enhanced procedures, SETAs have the potential to be crucial in providing school leavers, graduates, and workers with the necessary skills to boost the economy and diminish unemployment. This study aimed to offer practical suggestions for enhancing the funding structure for SETAs, concentrating on tactics that higher education

institutions can adopt to simplify the procedure. Once the findings and recommendations are finished, they will be given to BANKSETA's management to help them guide their stakeholders in implementing the best practices for a funding model that better supports the banking sector's skills development requirements. In the end, this will help to stimulate overall economic growth and create more job opportunities.

1.9. Definitions of Key Concepts

- **Sector Education and Training Authority (SETA)** is vocational skills training organisation in South Africa that is established under Skills Development Act no.97 of 1998 with the purpose of contributing to the improvement of skills through learnerships, unit-based skills programmes and apprenticeships (National Skills Authority, 2015).
- **The Banking Sector Education and Training Authority (BANKSETA)** is an enabler of skills development and transformation in the broader banking and microfinance sector and supports people development through partnerships, skills development, reduce unemployment, creating a brighter future and enabling change (BANKSETA, 2024).
- **Skills development** is acquiring the ability or capacity through sustained and systematic actions, in order to carry out a job function or difficult activities effortlessly and adaptively (Axen, 2023).
- **Economic growth** is defined as the annual rate of increase in total production or income in the economy (Mohr, 2004)
- **Funding Model** is a systematic and institutional approach to creating a reliable revenue base that will support an organisation's core programs and services (Bridgespan, 2016).

1.10. Structure

According to the revised SETA funding model, there is a critical need for ongoing research, analysis, and strategic planning to address the constraints in the current funding model. In line with this, the report is structured into five chapters as follows:

Chapter 1: Introduction - This chapter provides an overview of the history of SETAs, focusing on their role in addressing skills development within South Africa's economy. It outlines the key constraints in the current SETA funding model and presents the problem statement, aims, and objectives of the study, with a focus on exploring funding challenges and potential solutions.

Chapter 2: Methodology - To assess the constraints in the SETAs funding model and identify possible mitigating strategies, this section describes the mixed-methods approach employed,

combining both quantitative and qualitative research methods. The methodology for collecting and analysing data on funding issues across various SETAs is detailed here.

Chapter 3: Literature Review - This chapter reviews theoretical and empirical literature related to funding models for skills development and explores the challenges SETAs face within the current legislative and regulatory frameworks. It also identifies gaps in existing research on funding constraints and their impact on skills development efforts.

Chapter 4: Data Analysis - In this section, the findings from both the qualitative (interviews with key stakeholders) and quantitative (survey results) data are analysed. The analysis focuses on how funding challenges affect SETA operations, particularly in relation to skills development initiatives and workforce training.

Chapter 5: Discussion of Results - This chapter provides a summary of the research findings, highlighting key trends and patterns. It discusses the broader implications of the identified funding constraints for the SETAs' ability to fulfil their mandate. Additionally, the chapter offers a set of recommendations aimed at improving the funding model to enhance skills development outcomes.

2.1. Introduction

This section describes the research methodology used in the study. It starts with the examination of the research paradigm, then delves into a thorough explanation of the research design and approach. Next, the segment examines the demographics of the study group and the methods of sampling used to guarantee collection of representative data. Furthermore, a detailed explanation of the data collection and analysis methods is provided, accompanied by a discussion of the ethical considerations that influenced the research. The research combined qualitative and quantitative methods to gain a thorough understanding of the topic. Utilizing both qualitative insights and quantitative data enabled a thorough investigation of the research inquiries. A mixed-methods questionnaires (hybrid questionnaires) were primarily utilized for gathering quantitative and qualitative data. This combination of methods helped to compare different sets of data, improving the accuracy and credibility of the results. The research process strictly followed ethical guidelines to protect participants' rights and the integrity of collected data.

2.2. Research Paradigm

Pragmatism as a paradigm relies on using the most effective approaches to study real-life issues, incorporating various sources of information to address research inquiries while considering future requirements (Allemang & Sitter, 2022). Therefore, a pragmatic approach was utilized in this research because it emphasizes practical solutions that can guide future actions. Pragmatism was considered suitable because it permits the utilization of techniques that facilitate the gathering of trustworthy, solid, dependable, and pertinent information (Saunders, Lewis, & Thornhill, 2016:143-144). The research utilized an explanatory design and utilized a case study approach to explore limitations in the existing funding model for SETAs. The explanatory design aimed to investigate and clarify the connections among important factors influencing the funding model (Saunders et al., 2016:176).

2.3. Research Design

The research design is the overall plan that combines different parts of a study in a logical way to effectively tackle the research problem. It acts as the plan for gathering, quantifying, and examining data, guaranteeing that every component is in line with the main research objectives (Sacred Heart University, 2006). In this research, a mixed-methods strategy was chosen to match its goals, integrating qualitative and quantitative techniques to offer a deeper

insight into the constraints within the SETAs funding model. A concurrent integration design was utilized, allowing for qualitative and quantitative data collection to happen at the same time.

2.3.1. Quantitative Research

Quantitative research entails the organized gathering and examination of numeric data, which helps in pinpointing patterns and trends pertaining to limitations in the SETAs funding structure. This method is especially beneficial for evaluating how funding obstacles affect skill development projects and applying the results to a wider demographic (Nardi, 2018). Quantitative research is commonly presented through numerical data, tables, and graphs, and is frequently employed to verify or validate hypotheses. In this research, a combination of closed- and open-ended surveys was utilized to collect quantitative data (Stockemer, 2019), aiding in the assessment of funding limitations and their impacts on industry-specific training initiatives.

2.3.2. Qualitative Research

Aside from quantitative research, qualitative research was also essential in this study. Mixed-method questionnaires were distributed to key stakeholders in SETAs and skills development to delve into comprehensive views on the difficulties linked to the existing funding model. Alternative qualitative techniques, including thematic analysis and an extensive examination of available literature, were also employed. These techniques offered in-depth explanations of the perspectives and opinions of stakeholders, revealing the intricacies and subtleties of the financial limitations (Hamilton and Finley, 2019). The qualitative information provided a more in-depth insight on how these obstacles impact efforts to enhance skills, complementing the quantitative results and enriching the overall analysis. Following the previous story, utilizing a mixed method approach enabled a comprehensive understanding of the issue by simultaneously incorporating both quantitative data and detailed qualitative perspectives. The merging of these datasets in the interpretation phase helped in gaining a thorough understanding of the limitations and difficulties in the existing funding structure. Due to the intricacy of the subject, more focus was given to the qualitative aspect of the research. It was essential for revealing the complex, context-specific issues linked to the SETAs funding model that quantitative measures alone could not completely capture. The detailed information offered a more thorough understanding of the factors influencing the success of the funding model, highlighting the importance of creating relevant suggestions and solutions that account for the specific details of the topic.

2.4. Population and Sampling

Both the study's qualitative and quantitative aspects involved working with the same population and sample. The officials from SETAs, specifically from BANKSETA, were included in the study as participants. SETAs are in charge of collecting industry-specific taxes, overseeing the use of these funds, and aiding in the growth of skills by providing financial assistance to universities, companies, and non-governmental organizations/non-profit organizations. These officials offered important perspectives on the distribution and management of funding, as well as the difficulties in achieving skills development goals. Additionally, managers and administrators from both universities and TVET colleges were also included in the participant list. These people play two important functions in the research: firstly, they manage the bursaries and student support funding from SETAs, and secondly, they employ interns sponsored by SETA for skills development programs. Their points of view were crucial for comprehending how SETA funding flowed and impacted institutions. NGOs and NPOs that receive SETA funding for programs like Maths and Science support were also included as participants to supplement the study. Both universities of technology and TVET colleges, which receive SETA financial backing for WIL programs, were equally present in the group of participants.

Two sampling methods were utilised namely a stratified random sampling and convenience methods as sampling strategies. The population was separated into similar sub-categories according to the institution or organization type, followed by a convenience selection within each sub-category. These methods guaranteed that every organization was properly included in the research. The number of participants from the identified institutions determined the sample size, ensuring a diverse and representative group for both qualitative and quantitative parts of the study.

- BANKSETA – 2 members of management
- Universities – 2 historically disadvantaged universities (1 member/funding manager in each), 2 historically advantaged universities (1 member in each), and 2 universities of technology (1 member in each).
- TVET colleges – 4 TVET colleges, 1 member (funding manager in each)
- NPOs/NGOs – 4 institutions, 1 member in each

Universities are divided into three categories: historically disadvantaged (1), historically advantaged (2), and universities of technology (3). The case of technology universities and TVETs involves the funding experiences of Work Integrated Learning (WIL) programs. Finally, NPOs/NGOs have contributed to the skills development process by assisting students and

unemployed youth with academic and work readiness activities. Participants were chosen for the research on skills levies and funding in educational and training sectors using convenience sampling, based on their accessibility and relevance. This method focused on including people who are directly involved in funding and levy management in various institutions, in order to have a balanced and realistic group of respondents.

- BANKSETA selected two members from its management team to ensure representation from a relevant sector and take advantage of easy access to professionals involved in skills funding and program oversight.
- Universities: Participants were selected from two universities with a history of disadvantage, two universities with a history of advantage, and two universities of technology, each having one funding manager representing them. These individuals were easily available to provide input on funding structures, representing a diverse range of viewpoints from different types of institutions.
- Four TVET colleges were involved, each with one funding manager taking part in the research. Their participation offered understanding of TVET funding methods and obstacles, and they were chosen for their easy access and importance to the research.
- Four organizations within the NPO/NGO sector had one representative each. This team was readily available and provided insightful viewpoints on the effects of funding in non-profit organizations, especially in relation to community and social development projects.

The convenience sampling method helped to include participants involved in funding processes, offering a practical yet informative sample to meet the study's goals.

2.5. Data Collection

Both primary and secondary data were gathered. A thorough examination of academic sources was conducted. Additional sources of secondary data were collected from a variety of outlets such as journals, DHET, NSF, and SETAs published materials, such as annual reports, conference plans, and proceedings. Besides reviewing the published documentation, primary data was also gathered. Questionnaires containing both closed and open-ended questions, as shown in appendix A, undergo pretesting before the actual data collection to evaluate the effectiveness of the research tool to gather data. Questionnaires were distributed to five participants for pre-testing. SETA members clarify the laws and how they are put into practice for funding sources, management, and distributions. Funding managers at

universities and TVETs are anticipated to discuss their experiences and perspectives on the current funding dynamics. Questionnaires containing closed and open-ended questions were used to gather quantitative data. During the data collection process, researchers gave out semi-structured questionnaires to the participants.

2.6. Data Analysis

The results were organized, tabulated, and coded qualitative data into themes for analysis in a systematic manner. Content analysis, as described by Tesch (1990:142-145), was utilized to discover patterns, perspectives, and repeating themes in the data. A thorough representation of the analysis of data is shown underneath.

2.6.1. Quantitative Analysis

The data was processed using IBM's Statistical Package for Social Scientists (SPSS) version 27 for the quantitative analysis. Frequency tables and graphical representations were created through this analysis for different categories such as results, effectiveness, efficiency, relevance, and sustainability. Specific data, such as employment status, were broken down further to showcase any variations based on gender and age, enabling a more comprehensive grasp of demographic factors impacting the results.

2.6.2. Qualitative Analysis

Thematic analysis was carried out on the qualitative data collected from SETA managers and other important stakeholders in skills development. The findings from the content analysis were merged with the numerical results to give a complete overview of the limitations in the SETA funding model, its effectiveness, and possible repercussions. This comprehensive analysis provided a broader perspective on the obstacles and knowledge gained to date, aiding in the development of potential mitigation tactics.

2.7. Reliability and Validity

Ensuring reliability in this study was achieved through the implementation of procedures to validate the accuracy of the results. In accordance with Creswell's (2009:190-191) suggestions, the next measures were taken: Initially, a detailed examination of all transcripts was conducted to verify they did not have any evident mistakes or discrepancies. Next, consistent meetings took place with the research team in order to facilitate communication between coders, enabling them to analyse and discuss data together. Next, the codes created by various researchers were checked against each other to confirm the accuracy and reliability of the data interpretation process.

Validity was maintained by following the suggested procedures outlined by Creswell (2009:191). The research utilized triangulation to ensure the accuracy of the results by incorporating various data sources. Member checking was also employed to verify the precision of the findings, with themes being presented to participants for their input on the alignment of the results with their perspectives and experiences. Moreover, detailed explanations of the data were utilized to offer in-depth, contextually rich interpretations of the results, thereby bolstering the study's credibility.

2.8. Ethical Considerations

Approval was granted by the University of Venda Research Ethics Committee, and all their stipulations were followed carefully during the research. The ethical research standards were adhered to by following the stated ethical guidelines.

2.8.1. Informed Consent

Before gathering data, all participants were asked for and provided informed consent. They were provided a clear explanation of the research's purpose and scope to ensure complete understanding of the study's goals. Participants were told that they could choose to take part in the study freely and leave at any point without any negative outcomes or worry of harm.

2.8.2. Right to Privacy

The confidentiality of all participants was closely upheld. The identities of individuals were kept private and not revealed to outside parties. To ensure confidentiality, participants were given code names that were connected to the data gathered, thus safeguarding their personal information.

2.8.3. Right to Dignity

The respect for all participants was maintained consistently. Participants were never exposed to any uncomfortable or embarrassing situations at any time. All possible steps were taken to make sure they were respected and appreciated during the research process.

2.8.4. Honesty

The study findings were reported truthfully and openly. Acknowledgment of all materials, sources, or references utilized in the study was done to uphold academic integrity and transparency.

2.8.5. Voluntary Participation

Involvement in the tracer study was completely optional, and participants were not forced or pressured to participate. The researchers made sure that participants were not offered any rewards that could affect their decisions, ensuring that their participation was purely voluntary and not influenced by external factors. The research team sought to prioritize ethical considerations in order to protect participants' rights and well-being, while also upholding the study's integrity and validity.

2.9. Data Triangulation

During the evaluation process, initial findings were reviewed internally by the Working Group to ensure accuracy and gather input from stakeholders before moving on to the next phases. As specified in the methodology, this study utilized a combination of methods to increase the depth and richness of the research. By triangulating data from various sources, the evaluation and conclusions were enhanced by complementing both quantitative and qualitative findings. Triangulation was used not just for verifying data, but also for gaining a more thorough understanding through investigating various viewpoints on the same subject. This procedure enhanced the dependability, excellence, and trustworthiness of the assessment's results. Validation of data and information.

2.9.1. Quality Assurance Strategy Applied to Ensure Data Quality

Quality assurance is essential in qualitative research to uphold the dependability, validity, and credibility of the results. Quantitative research typically uses statistical measures to assess quality, whereas qualitative research prioritizes rigor, trustworthiness, and transparency during the research process. UNIVEN follows the South African Statistical Quality Assessment Framework (SASQAF) to guarantee quality assurance in all assessments and uphold these standards. SASQAF, created by Stats SA, is a tool made to evaluate the quality of statistical products acquired through data collection. The foundation is based on global norms like the Data Quality Assessment Framework (DQAF) by the International Monetary Fund (IMF) and the United Nations Statistics Division's Fundamental Principles of Official Statistics. The system guarantees that data sets from South Africa are consistent and adhere to high-quality criteria.

SASQAF categorizes statistical products into four quality tiers:

- Quality statistics,
- Acceptable statistics,

- Questionable statistics, and
- Poor statistics.

While SASQAF can be used for many different reasons, it is especially valuable for evaluating the quality of data and statistics produced in research. During this assessment, Africa Chartered Managers relied on SASQAF's data quality indicators as a benchmark to guarantee the preservation of data quality during the evaluation. SASQAF assesses data quality by considering distinct requirements and eight quality dimensions. The conditions within institutions and organizations that impact data quality are known as prerequisites for quality, which include factors like the legal framework and the presence of human, financial, and technological resources. These criteria were used to evaluate data quality in the study, guaranteeing that the assessment met strict standards.

3.1. Introduction

It is crucial for the banking sector in South Africa to continuously develop skills in order to stay competitive and meet the demands of employers and the economy as a whole. The Minister of Labour created BANKSETA to tackle skills deficiencies in the banking industry. Its task is to involve various parties, such as those from the inclusive banking sector and employers, in identifying and ranking skills development needs and offering appropriate training programs. This section contains evaluations of different frameworks and empirical literature to comprehend theoretical and empirical foundations. This procedure allowed the researchers to pinpoint a discrepancy that coincides with the study goals.

3.2. Functions and Objectives of BANKSETA

BANKSETA was established by The Minister of Labour to support and grow skills required in the banking sector. It is mandated to engage with stakeholders in the inclusive banking sector and in partnership with employers in the sector to assess priorities for skills development and develop relevant skills offerings that address such needs (Sibanda and Sibanda, 2016). The objectives of BANKSETA are laid down in the BANKSETA constitution as:

- 'To develop a sector skills plan within the framework of the national skills development strategy for the Authority;
- to implement the skills sector plan by: approving workplace skills plans; establishing learnerships; allocating grants in the prescribed manner to employers, education and training providers and workers; and monitoring education and training in the sector;
- to promote learnerships by identifying workplaces for practical work experience; supporting the development of learning materials; improving the facilitation of learning; and assisting in the conclusion of learnership agreements;
- to register learnership agreements:
- to be accredited as a body contemplated in section 5(l)(a) (ii) (bb) of the South African Qualifications Authority Act and to act as such;
- to collect and disburse the skills development levies in the banking sector in terms of the Act and the Skills Development Levies Act;
- to liaise with the National Skills Authority as well as other SETAs on inter alia: national skills development strategy; national skills development policy; its own sector skills plan;

- to report to the Director - General on the implementing of its sector skills plan and any budgets, reports and financial statements on its income and expenditure in terms of the Public Finance Management Act, 1999 (Ad No. 1 of 1999);
- to liaise with employment services of the Department of Labour and any educational body established in terms of educational laws of South Africa to improve the quality of information about employment opportunities; and between education and training providers and the labour market;
- to appoint office bearers and staff necessary for the performance of its functions;
- to facilitate the involvement of the relevant government departments in the activities of the Authority; to address the competency requirements for social delivery; address the learning needs of the most vulnerable segments of the sector; promote training of SMEs to enable them to qualify for public contract;
- to perform any other duties imposed by the Act or any other function not specifically mentioned, in order to fulfil the objectives of the Authority and the Act;
- notwithstanding the above functions and objectives, the Authority must at all times give effect to the purposes of the Act, being: to develop the skills of the South African workforce; to increase the levels of investment in education and training in the labour market and to improve the return on that investment; to encourage employers: to use the workplace as an active learning environment; to provide employees with opportunities to acquire new skills; to provide opportunities for new entrants to the labour market to gain work experience, to employ persons who find it difficult to be employed; to encourage workers to participate in learnerships and other training programmes; to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those advantages through training and education; to ensure the quality of education and training in and for the workplace; to assist : work-seekers to find work: retrenched workers to re-enter the labour market; to provide and regulate employment services; employers to find qualified employees’.

BANKSETA contract service providers to deliver training sessions on its behalf. It is however, confronted with many challenges in offering its services and achieving its objectives. For instance, in the study conducted by Halabi, Sartorius and Arendse (2013), using an input /output model, the objective was to examine the efficiency of South Africa’s SETAs with respect to the utilisation of funds. The focus was firstly on the quantity and quality of five training and education outputs in relation to the funds received. Secondly, the study also examined the amount of money spent on administration by various SETAs, as well as the SETAs management of financial reserves. The results indicated that only two of the SETA’s

(FASSET AND CTFL) were efficient with respect to their utilisation of funds. The results further indicated that 18 of the 21 SETAs had increased their cash reserves. BANKSETA was among the inefficient ones as their cash reserves increased by 66.43%; having large cash reserves was an indication of inefficiency. The study further revealed that some SETAs might be meeting their own targets because they were too easy to achieve and as a result their inefficiencies were not being highlighted.

3.3. Policy, Strategies and Legislative Frameworks Underpinning Skills Development

There are various reforms that took place during the advance of the democratic dispensation in South Africa. They were mainly to correct the challenges of the colonial and the apartheid government. Such challenges include poverty, unemployment, inequality and lack of skills caused by the exclusion of the majority of the South African people who lived in the rural areas. The human resource development also needed some form of transformation that seeks to promote employment. This section outlines and briefly discusses some of the policies and legislative frameworks as they relate to skills development. These newly developed policies include the 1996 Constitution, NO. 37 of 2008: Skills Development Amendment act, 2008, Education White Paper 3: A programme for the transformation of higher education, Notice 196 of 1997, and National Skills Development Strategy (2011-2016) NSDS III. These policies and their relevance as they relate to skills development are discussed in detail in the succeeding paragraphs.

3.3.1. Constitution of the Republic of South Africa, 1996.

Sections 22 and 29 of the Constitution of the Republic of South Africa highlight critical rights that directly influence the role of skills development and education within the economy, areas in which SETAs play a significant role. In addressing the constraints within the SETA funding model, these constitutional provisions are crucial as they guide both policy and the operational frameworks within which SETAs must operate.

3.3.1.1. Section 22: Freedom of Trade, Occupation, and Profession

Section 22 guarantees the right of every citizen to freely choose their trade, occupation, or profession (Bill of Rights, 2020). This right, however, may be regulated by law to ensure standards and protections within various professions. The SETAs are instrumental in this regard as they are mandated to develop sector-specific skills through training and education initiatives that align with industry demands. However, one of the key constraints in the current SETA funding model is the inadequate financial resources and inefficient allocation of funds, which limits the ability of SETAs to provide sufficient training opportunities. This restriction

undermines the right to freedom of trade and occupation by limiting access to necessary skills development, especially for disadvantaged groups.

Mitigating strategies to address this issue could involve reforming the funding model to ensure a more equitable distribution of resources and increasing transparency in how funds are allocated to different sectors. Additionally, streamlining the regulatory environment for professions might reduce the financial burden on SETAs, allowing them to focus more on facilitating training programs that enable citizens to exercise their right to choose and practice their occupation or profession freely.

3.3.1.2. Section 29: Education

Section 29 enshrines the right to basic and further education. This constitutional provision emphasizes the state's obligation to progressively make further education accessible to all through reasonable measures. SETAs, as key drivers of post-secondary vocational education and training, are tasked with contributing to this objective by providing learnerships, internships, and other skills development programs. However, the current constraints in the SETA funding model such as delayed disbursements, limited financial resources, and the misalignment between funding allocations and sector needs hinder the state's ability to meet its obligations under Section 29.

To address these constraints, a possible strategy is to develop a more flexible and responsive funding framework that can adapt to the evolving skills demands of different sectors. By increasing investment in further education through the SETAs and ensuring that funds are allocated in a manner that directly supports critical skills development programs, the state can better fulfil its mandate to make education progressively available. Furthermore, integrating public-private partnerships in the funding model could enhance the financial base of SETAs, allowing for expanded educational access and more comprehensive training opportunities.

In line with the above, Sections 22 and 29 of the Constitution underline the fundamental rights to freely choose one's profession and to have access to both basic and further education. The current constraints in the SETA funding model limit the ability to fully realize these rights by restricting access to essential training and education. Mitigating these constraints will require reforming the funding processes, increasing transparency, and ensuring that SETA resources are more effectively allocated. By doing so, the SETAs can better contribute to the realization of the constitutional rights to trade, occupation, and education, ultimately supporting economic growth and workforce development in South Africa.

3.3.2. No. 37 Of 2008: Skills Development Amendment Act, 2008.

The purposes of this Act are;

(a) to develop the skills of the South African workforce - (i) to improve the quality of life of workers, their prospects of work and labour mobility; (ii) to improve productivity in the workplace and the competitiveness of employers; (iii) to promote self-employment; and (iv) to improve the delivery of social services (Government Gazette, 2008).

(b) to increase the levels of investment in education and training in the labour market and to improve the return on that investment; (c) to encourage employers - (i) to use the workplace as an active learning environment; (ii) to provide employees with the opportunities to acquire new skills; (iii) to provide opportunities for new entrants to the labour market to gain work experience; and (iv) to employ persons who find it difficult to be employed; (d) to encourage workers to participate in [learnership and other training] learning programmes; (e) to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education; (f) to ensure the quality of [education and training] learning in and for the workplace (University of South Africa, 2023);

(c) to assist - (i) work-seekers to find work; (ii) retrenched workers to re-enter the labour market; (iii) employers to find qualified employees; and (h) to provide and regulate employment services (South African Government, 2011).

Those purposes are to be achieved [by] through- (a) [establishing] an institutional and financial framework comprising- (i) the National Skills Authority; (ii) the National Skills Fund; (iii) a skills development levy-financing scheme as contemplated in the Skills Development Levies Act; (iv) SETAs; (v) [labour centres; and]provincial offices of the Department (vi) [the Skills Development planning unit;] labour centres of the Department; (vii) accredited trade test centres; (viii) skills development institutes; (ix) the Quality Council for Trades and Occupations; (x) a skills development forum for each province; (xi) a national artisan moderation body; and (xii) Productivity South Africa; (b) encouraging partnerships between the public and private sectors of the economy to provide [education and training] learning in and for the workplace; and (c) co-operating with the South African Qualifications Authority.

3.3.3. National Skills Development Strategy (2011-2016) NSDS III

The National Skills Development Strategy III (NSDS III) is a comprehensive framework designed to guide and direct the activities of the 21 Sector Education and Training Authorities (SETAs) and the National Skills Fund (NSF) (MERSETA, 2019). Its primary aim is to improve

the overall effectiveness and efficiency of South Africa's skills development system, ensuring that training and development programs are more aligned with the needs of the economy and society at large.

The NSDS III promotes the integration of skills development with career pathways, emphasizing the importance of linking training programs to long-term career development opportunities (DHET, 2018). By doing so, it aims to enhance not only the employability of individuals but also the prospects for sustainable employment and progression within the workforce. This approach ensures that individuals can grow within their chosen careers, benefiting both themselves and their employers through continuous skills improvement and advancement opportunities.

One of the main goals of the NSDS III is to establish a skills development system that meets the needs of the labour market both now and in the future, as well as addressing concerns related to social equity. The strategy aims to reduce skills shortages and promote inclusive economic growth by focusing on disadvantaged and marginalized groups, such as those with limited access to education and skills development (DHET, 2018). The focus is on social justice by guaranteeing access to training for individuals who have been historically marginalized from the workforce because of different obstacles.

The plan also places a high importance on building stronger relationships among employers, training institutions, and SETAs. Ensuring that training programs are relevant, up-to-date, and aligned with industry needs is crucial and requires closer links (MERSETA, 2019). Employers offer valuable input on skills needed for industries, while training institutions create programs to meet these requirements. SETAs serve as go-betweens, enabling cooperation among various parties to guarantee that training results in concrete benefits such as finding employment, advancing in one's career, or succeeding as an entrepreneur (DHET, 2018).

NSDS III also prioritizes helping individuals gain the necessary skills to join the formal workforce or establish their own means of living. This is particularly crucial for people who have been unable to find traditional jobs because they lack the necessary technical skills or basic skills in reading, writing, and math. Through offering specific training and development chances, NSDS III aims to empower these people, giving them the ability to find jobs or start their own sustainable businesses. NSDS III acts as a plan for enhancing South Africa's skills development environment. Its goal is to establish a system that is more inclusive, responsive, and efficient in meeting the requirements of both the labour market and society, to promote increased opportunities for jobs, career advancement, and social fairness. By working together with SETAs and the National Skills Fund, the strategy aims to help achieve the overall objective of decreasing unemployment and promoting economic growth in the country.

3.3.4. National Skills Development Strategy and national Skills Development Plan

The funding model of the SETA is crucial for achieving the objectives of both the NSDS and NSDP in South Africa. The main purpose of the SETA funding model is to tackle skills gaps in different economic sectors, backing workforce development and boosting economic growth (DHET, 2020). This funding method mainly works by gathering skills levies from companies, which are then used to support training programs, especially in regions with significant skills gaps (DHET, 2020). In line with the NSDS and NSDP, the model strives to ensure that funding allocations are in line with the overall goals of establishing an inclusive, flexible, and needs-based skills development framework. Through the provision of funding from SETA, opportunities for unemployed youth, the upskilling of current workers, and support for industries with critical skills shortages are promoted, leading to a more skilled and adaptable workforce (NSF, 2021). One of the main priorities of the SETA funding model, as outlined in the NSDS and NSDP, is to tackle structural disparities in education and training opportunities. In the past, South Africa's education and job training systems have shown inequalities, resulting in limited skill development opportunities for some groups and areas (DHET, 2020). By strategically allocating resources, the SETA model aims to reduce disparities by providing support to disadvantaged institutions and communities in need. This emphasis is clear in the backing of TVET colleges and historically disadvantaged universities, which are essential for offering vocational training and technical education to marginalized communities (NSF, 2021). Moreover, the program encourages collaborations with NGOs and local groups to provide necessary education and support in underserved communities. By giving importance to inclusivity, the SETA funding model aligns with the NSDS and NSDP's goal of providing fair access to high-quality skills development (DHET, 2020).

Another important aspect of the SETA funding model is its focus on matching skills development programs with industry needs. The significance of the NSDS and NSDP lies in the need to build a workforce capable of adapting to changing industry requirements, ultimately decreasing the skills mismatch that frequently impedes job rates and economic development (NSF, 2021). To accomplish this, SETAs should work closely with employers, industry organizations, and government agencies to pinpoint skills deficiencies and create training initiatives to address them. This essential demand-driven approach is vital for industries experiencing swift technological advancements, including IT, green energy, and finance (DHET, 2020). The SETA funding model aims to develop a workforce that is both technically skilled and able to quickly respond to the needs of a global economy by matching training with market requirements. This concentration guarantees that money put into training leads to the highest possible outcome in terms of being able to get a job and being efficient (NSF, 2021).

Sustainability and accountability are additional pillars of the SETA funding model as envisioned in the NSDS and NSDP. Given the significant financial resources involved, there is a strong emphasis on monitoring and evaluating the impact of funded programs to ensure that they achieve the desired outcomes (DHET, 2020). Mechanisms for tracking student progress, completion rates, and post-training employment are integral to assessing the model's effectiveness. Furthermore, transparency in fund allocation and utilization is crucial to maintaining trust among stakeholders, including the government, industry partners, and beneficiaries (NSF, 2021). The model encourages regular audits, feedback from stakeholders, and the active involvement of community representatives, such as traditional leaders, to ensure funds reach deserving individuals and regions. This commitment to accountability and sustainable impact is central to fulfilling the NSDS and NSDP's long-term vision of a skilled, adaptable workforce capable of driving South Africa's socio-economic transformation (DHET, 2020).

3.3.5. Public Finance Management Act 1999

The PFMA of 1999, with amendments, is an important legal foundation in South Africa which regulates the financial management of national and provincial governments (National Treasury, 2019). The Act highlights values like openness, responsibility, and effective handling of public funds. Significance for SETAs Funding Limitations: This law is crucial for overseeing the finances of organizations, including SETAs, that depend on government funding for skills development programs. The PFMA establishes duties for financial management, offering specific instructions for organizations such as SETAs on the management of finances, specifically addressing budget control, spending limits, and reporting obligations. The PFMA's emphasis on ensuring public funds are used effectively and efficiently is in line with the necessity of addressing limitations in SETAs' funding models. SETAs are required to distribute funds for skills development, and any inefficiency or lack of transparency in fund management can affect their ability to achieve their goals, as stated in the PFMA.

Strategies to Reduce SETA Funding Constraints: It is important to implement mitigation strategies that comply with PFMA regulations to address funding limitations. This involves enhancing financial reporting, aligning budget allocations with sector needs, and strengthening oversight mechanisms. Moreover, it is crucial for SETAs to enhance their financial procedures in order to prevent mismanagement, as highlighted by the PFMA's regulations regarding unauthorized and irregular spending, emphasizing the significance of accountability.

3.3.6. Skills Development Grant Regulation

Under the Skills Development Act of 1998, the Skills Development Grant Regulations (2005) outline how Sector Education and Training Authorities (SETAs) distribute funds to support skills development programs. The rules detail different elements of financial control, such as the distribution of compulsory and optional funds, the overhead costs for SETAs, and the steps for approving and distributing grants.

i. Relevance to SETA Funding Constraints

These rules establish strict boundaries on the utilization of funds by SETAs, particularly limiting administrative expenses to 12.5% of levy income, potentially hampering their ability to effectively oversee operations. Moreover, the distribution of obligatory and optional grants is closely monitored, necessitating employers to fulfil specific requirements and adhere to deadlines in order to be eligible for financial assistance. The intricacy and stringent rules governing these procedures may cause funds to be underutilized or delayed, thereby affecting the efficacy of skills development efforts.

ii. Mitigating Strategies in Light of the Grant Regulations

To address the constraints outlined in these regulations, SETAs can explore improving their administrative efficiency within the set limits or seek ministerial approval for additional funding for administrative costs when necessary. Additionally, simplifying grant application processes and providing clearer guidance to employers on meeting eligibility criteria could improve fund utilization and reduce delays. Streamlining these processes would enhance the responsiveness of SETAs to labour market needs, enabling them to fulfil their mandate more effectively.

3.3.7. Learnership Regulations

The regulations of Learnership in 2007 established by the Skills Development Act set out the legal guidelines and procedures for running learnership programs in South Africa. Learnerships play a crucial role in the national plan to combat skill deficits and improve job prospects through a blend of formal education and hands-on training.

i. Relevance to SETA Funding Constraints

The regulations establish distinct rules for the duties and obligations of employers, learners, and training providers in the learnership system, along with SETAs' responsibilities to back and oversee these programs. One major obstacle facing SETAs, as pointed out in these regulations, is securing enough funding to sustain learnership programs while also managing

administrative expenses and grants distribution. The strict regulatory framework, although intended to promote accountability, can also restrict flexibility in the allocation and management of funds.

ii. Mitigating Strategies in Light of the Learnership Regulations

In order to address funding limitations, SETAs can enhance their operations by emphasizing the enhancement of cooperation between employers and training institutions, guaranteeing that learnerships correspond with the skills requirements of specific sectors. Moreover, making the grant allocation process more efficient and lowering administrative costs could enhance the efficiency of fund utilization. Improving how grants are distributed and tracking the results of learnerships can boost the effectiveness of SETA-funded programs, ensuring resources are allocated to areas with the highest need.

Several limitations within the SETA funding model have been recognized, such as strict regulatory frameworks, restricted flexibility in allocating funds, and constraints on administrative costs. These limitations may impede SETAs' capacity to effectively fulfil their mandate. In order to tackle these difficulties, SETAs should consider tactics like enhancing financial management practices, streamlining grant distribution procedures, and cultivating better partnerships with industry stakeholders. By ensuring compliance with regulations and improving operational efficiency, SETAs can optimize resource utilization for promoting skills development and tackling South Africa's critical skills gaps. Therefore, the upcoming section addresses the difficulties faced by BANKSETA.

3.4. Work-Integrated Learning and SETA Funding in TVETs and Universities

Work-Integrated Learning (WIL) is a vital approach utilized by educational institutions to connect theoretical knowledge and practical skills in the workplace. In South Africa, SETAs are required to support learning by giving funds to institutions, especially TVET colleges and universities. The funding is for WIL programs that aim to improve students' chances of getting a job by giving them practical experience in their chosen fields. Nevertheless, despite the significance of Work Integrated Learning (WIL), there are major obstacles concerning the sufficiency and supervision of SETA funding. This review of literature investigates the different kinds of funding provided by SETAs for WIL programs in TVETs and other educational institutions, analysing how effective they are, the obstacles they face, and how well they align with national skills development objectives.

3.4.1. Work-Integrated Learning and its Role in Skills Development

WIL is becoming more crucial in equipping students for the job market, especially in vocational and technical areas. Cooper, Orrell, and Bowden (2010) stated that Work-Integrated Learning (WIL) integrates traditional academic learning with practical work experience, allowing students to implement theoretical understanding in practical settings. In TVET colleges in South Africa, Work Integrated Learning (WIL) programs are especially important for students studying engineering, construction, and information technology, among other technical and vocational fields. The crucial role of SETAs in supporting these programs guarantees that learners have the opportunity to engage in internships, apprenticeships, and other types of work-based learning. McGrath's (2004) research emphasizes the significance of matching WIL programs with the demands of the job market. SETA funding supports TVETs and universities in effectively implementing their WIL programs through financial resources. The programs usually consist of internships, learnerships, and apprenticeships, giving students hands-on experience in industries relevant to their studies. Nevertheless, the success of these initiatives frequently depends on the access to and administration of funding from SETAs.

3.4.2. Types of SETA Funding for WIL Programs

SETAs provide different funding options to assist Work Integrated Learning (WIL) programs, mainly through learnerships, internships, and apprenticeships. Visser and Kruss (2019) explain that SETA funding is based on skills development levies collected from companies, and these funds are distributed to institutions that provide training to learners in specific industries. The primary forms of funding are:

3.4.2.1. Learnerships

These programs involve a combination of theoretical teaching and hands-on training in a particular trade or profession. Learnership programs are officially approved by SETAs, and financial support is given to both the hosting employer and the educational institution. According to Badenhorst's (2021) study, learnerships are extremely successful in sectors like manufacturing and engineering, where hands-on skills are essential.

3.4.2.2. Internships

Internships offer students the opportunity to gain experience in their desired fields through temporary work placements. SETAs provide funding for internships at TVET colleges and universities to help students gain workplace experience. Internships supported by SETAs play

a crucial role in creating a pool of skilled workers for sectors like banking, agriculture, and healthcare, as stated by Botha and de Waal (2019).

3.4.2.3. Apprenticeships

Apprenticeships consist of a blend of hands-on training and traditional classroom teaching. SETAs provide funding for apprenticeships in technical fields like automotive repair, plumbing, and electrical work. Letseka et al. (2018) emphasize how SETA-funded apprenticeships play a crucial role in tackling the shortage of skilled workers in South Africa's infrastructure fields.

3.4.2.4. Bursaries for WIL Programs

SETAs also offer scholarships to students to take part in Work Integrated Learning (WIL) programs, especially those in industries that require a lot of skilled workers. Ismail and Mohammed (2018) stated that bursaries for Work-Integrated Learning (WIL) programs provide financial assistance for tuition fees, stipends, and sometimes non-tuition costs like housing and books.

3.5. Challenges in SETA Funding for WIL

Although WIL greatly benefits from SETA funding, various obstacles have been found in research. A major problem lies in the lack of adequate funding, especially for expenses beyond tuition like housing, travel, and job-related supplies. Mentz's (2020) research shows that numerous students, especially those from underprivileged backgrounds, face difficulties in fully engaging in WIL programs because of financial obstacles, even if they are funded for their tuition. This issue is particularly common in TVET institutions, where students may be required to move in order to finish their hands-on training.

Another major issue is the lack of synchronization between the timing of funding cycles and academic calendars. Powell (2016) states that the bureaucratic procedures for obtaining SETA funding frequently cause delays, impacting students' timely participation in WIL programs. For instance, students might lose out on internship chances due to delayed funding that arrives after the placement has started. This lack of alignment can reduce the success of WIL programs, since students need timely access to workplace learning to acquire essential skills. Furthermore, there is a substantial administrative load on institutions in handling SETA funding. Botha and de Waal (2019) believe that the complicated demands and reporting processes linked to SETA funding may prevent institutions from fully participating in WIL programs. The complicated administrative process hinders the distribution of SETA funding, especially in smaller TVET colleges that have few resources.

3.6. The Impact of WIL on Employability and Industry Relevance

WIL initiatives supported by SETAs greatly enhance students' chances of securing employment. As per Cooper et al. (2010), students who engage in WIL have a higher chance of securing employment post-graduation due to acquiring practical skills that meet industry demands. In South Africa, work-integrated learning programs in sectors like engineering, construction, and information technology have proven to be successful in preparing graduates for the workforce. Nevertheless, there is evidence in literature indicating that further efforts are required to match WIL programs with the changing needs of the workforce. Letseka (2018) points out that although SETA funding has assisted in the growth of proficient employees, there is frequently a gap between the instruction given in WIL initiatives and the particular skills required by employers. In order to fill this void, SETAs should collaborate more with industry partners to regularly update WIL programs with the latest trends and technologies. Funding from SETA is essential for the effectiveness of Work-Integrated Learning initiatives in TVET colleges and universities. Learnerships, internships, apprenticeships, and bursaries help students acquire practical skills that improve their chances of finding employment. Nevertheless, to fully optimize the efficacy of WIL programs, obstacles like inadequate funding for non-tuition costs, misalignment of funding cycles with academic calendars, and administrative challenges need to be resolved. By enhancing the administration and distribution of SETA funding, and establishing closer alignment with the industry, WIL programs can more effectively meet the requirements of South Africa's workforce and economy.

3.7. Challenges Experienced by BANKSETA

Although BANKSETA, along with other SETAs, faces difficulties with funding despite the legislation, policies, and strategies mentioned. Rosenberg and Ward (2020) conducted a study to pinpoint persistent performance management problems in SETA despite receiving significant attention. The results showed the importance of prioritizing the various goals linked with the SETAs. The various parties involved were workers, employers, and the industry. It was observed that their expectations for skills development were varied and might clash. Their hopes and ideals have influenced the goals of skills enhancement and the resulting laws and rules. Once more, SETAs are facing a growing demand that they are not prepared to meet, indicating a larger failure rooted in structural issues regarding conflicting positions and skills development strategies, leading to uncertainty in their responsibilities.

Additionally, the authors pointed out a conflict between national planning documents like the NDP, NSDS, and MTSF and sector-specific plans such as the SSPs. This has led to national

focus being placed on the Service Level Agreement between DHET and the SETAs, while the more detailed SSPs were not given equal importance in performance evaluations. It was determined that this could have helped to give the impression of subpar performance from a sector point of view. At the governance level, the boards of SETA, which represented various groups, functioned as bargaining councils. Board members prioritized their constituencies over the sector and SETA they were meant to support.

3.7.1. Complexity of Forecasting

Expectations related to skills planning were unrealistic, thus negatively impacting on the perceptions of SETAs' abilities to address skills mismatches in the economy.

3.7.2. Failure to Match Demand and Supply of Skills

Changes in the skills required by the banking sector happens in a fast pace. Reskilling people takes more time and as such there is a mismatch between demand and supply. Since skills needs are always changing, one cannot ascertain if the proposed will address the demand for skill. Another challenge is that although training addresses skills need for the sector, those skills may be used by competition sectors (Banking Sector Skills Plan 2019-2020). Rosenberg and Ward (2020) found that the challenges in monitoring and evaluation of SETAs is that too much focus is put on compliance monitoring, fewer ad hoc evaluations, limited use of evaluation findings for strategic guidance as well as limited monitoring and evaluation in the overall system. The authors then provided the following recommendations:

- Give more attention to evaluation (as opposed to the existing compliance)
- Show the value of a variety of evaluation types and their purposes,
- Provide an organisational learning framework for using different evaluations,
- Guide SETAs on how to use evaluation outcomes for strategic planning purposes and thereby, to enhance the achievement of organisational, industry, sectoral and national development goals.

The recommendations also emphasized 'evaluation readiness', which requires the following: team with the necessary human resources, skills and budget; CEO demonstrating that everybody should be evaluated; Key Performance Areas and other job descriptions that include the required contributions to M&E; Opportunities and spaces, in the SETA's calendar and documents, for using evaluation findings; and a system for sharing evaluation findings with stakeholders, media, other SETAs and national entities.

Regarding human resource, Ward and Rosenberg (2020) stated that there is a need to ensure that personnel are empowered with knowledge that would enable them to make decisions that enhance the efficiency of grant disbursements. SETA staff are intermediaries between employers/sector needs and skills development. As such they need strategic competencies such as brokerage and partnering, engaging the research-policy nexus and understanding and managing the interface with the external environment.

3.7.3. Partnerships Challenges

The challenges explained below affected SETAs in general and not just. The Banking Sector Skills Plan 2015-2016 revealed that there were challenges in the formation of inter-SETA partnerships as each SETA was fully absorbed in their own operational goals. There is a need to put more effort on forging these Inter SETA partnerships. In relation to the role of SETA in public TVET colleges, the youth and the unemployed youth, SETAs felt that NSDS was expecting them to do things they were not equipped to do. Again, there was a feeling that funds that were intended for skills development was diverted to other programmes that did not benefit the sector. Long term sustainable relationships between SETAs and both TVET colleges and universities was a challenge because the systems of grants disbursement were not suited to such partnerships.

SETAs' ability to achieve clean audits came at a cost as very strict processes have to be followed and small companies found it very difficult to meet the requirements. There were tensions between the boards and senior management of SETAs with regards to accountability. Board members felt that their effective governance was undermined as shown by inaccurate reporting of challenges that were being experienced. Some senior managers of SETA were of the view that board members made decisions that served their self-interest and that they saw deployment to the board as employment opportunity. Within the Department, the general agreement was that SETAs did not have suitably qualified people to address skills development challenges.

3.8. SETA Performance and Standards

SETA Performance standard and Implementation report was done in 2018-2020, through a research partnership and initiative of the 21 SETAs), Rhodes University and the DHET. The authors were Rosenberg and Royle. The purpose of the study was to investigate how the management performance and institutional performance standards could be developed and integrated with the intention to develop one set of performance standard for the SETAs. The authors noted that there was a need for greater focus in mandate of SETAs and greater clarity

in terms of the Theory of Change. Lack of focus was a result of other sources of funding which was becoming increasingly constrained.

That caused the Skills Levy and the skills levy institutions to be called on to address the challenges. The result was the diffusion of focus due to multiple objectives that extend beyond access to skills development. Due to the lack of theory of change, outcomes pathway with inadequate detail, lack of implementation plan as well as allocation of responsibility, assessment of SETA's impact and their relative performance within the skills system has been made difficult (Rosenberg and Royle, 2020). The authors noted that the solution was to give SETA, a clearer, narrower and more focused role. SETAs' spending lagged behind partly due to the following: stakeholders took too much time to commence projects due to a need to finalise preliminary activities such as recruitment, induction and securing workplaces for practical training component. also faced constraints related to on-site monitoring of its projects due to human resource capacity which was caused by the increased volume of skills development projects. subsequently received approval from the Accounting Authority to undertake a detailed organisational design study to address the identified capacity constraints (annual report 2021/22).

3.9. State of the Economy

As per the Services SETA Annual Performance Plan for 2022/2023, the economy of South Africa faced major difficulties in the lead up to and during 2020. During the latter half of 2019, the economy showed declines of -0.8% and -1.4% in the third and fourth quarters, respectively. These decreases foreshadowed more significant financial challenges ahead. The situation took a turn for the worse in 2020, mainly because of the countrywide economic shutdown enforced as a result of the COVID-19 pandemic. The closure of businesses in multiple sectors resulted in significant consequences.

A sharp decrease in income for companies led to many sectors facing financial difficulties as they tried to survive. Due to financial strain, numerous companies had to downsize their staff, leading to a significant number of job cuts. This financial pressure also impacted the gathering of skills development levies, which rely on the salaries of employers. Many businesses chose to take advantage of payment holidays provided by the government to alleviate financial strains caused by a decrease in job opportunities and cash flow issues.

The payment breaks had a direct and adverse effect on SETAs, such as the Services SETA, which relies heavily on employer levies for funding. Due to decreased levy income, SETAs experienced notable budget limitations, resulting in a decrease in their ability to finance crucial skills development initiatives. This scenario had a detrimental effect on training budgets in

different sectors, hampering SETAs' capacity to achieve their training and development goals. As a result, the decreased funding put at risk the potential expansion of the skills gap in the labour force during a time when training and improving skills were vital for boosting the economy and getting ready for the recovery after the pandemic. This resulted in a reduction in training options for both workers and job seekers in South Africa, exacerbating the existing difficulties in the labour market. This time highlighted the need for a flexible skills development system that can withstand economic challenges while still promoting the nation's overall development objectives.

3.10. COVID-19 and its effects on Service provision

As a result of the lockdown restrictions implemented because of the COVID-19 pandemic, SETAs faced substantial obstacles that hindered their ability to reach the targets set with the DHET. Lots of delays were caused by issues in carrying out training programs. A few training sessions started late, causing a hindrance for workplaces to accommodate learners for hands-on learning, an important aspect of several SETA-funded programs. In order to overcome these challenges, a range of measures were implemented to ensure that learning and skills development could still progress despite the limitations. A measure involved utilizing simulation platforms to provide practical experience in a virtual setting when physical access to the workplace was unavailable. This method ensured that learners were able to achieve their learning goals even without the usual work experience placements, maintaining the effectiveness of training programs.

Furthermore, training providers were required to adjust to changing situations by transitioning more towards online and blended learning formats. The shift to online educational platforms was considered crucial for overcoming pandemic challenges, but it also necessitated major changes. Curriculum design had to change to fit online and blended learning settings, so learners could effectively interact with the course material and meet competency expectations. These alterations underscored the significance of innovation in providing education and training, particularly in times of crisis. The Services SETA highlighted that after the pandemic, there will probably be a stronger focus on digital and blended learning approaches, requiring continuous changes in curriculum design and teaching methods to match these new delivery methods (Services SETA: Annual Performance Plan 2022/23).

3.11. Conclusion

Examining how SETAs have performed, especially amid the disruptions of the COVID-19 pandemic, has shown notable limitations in the existing skills development funding structure. The lockdowns and shutdowns caused by the pandemic have highlighted the funding

challenges and operational delays in achieving targets set with the DHET for SETAs. The problems were made worse by the decrease in skills levy revenue caused by payment holidays and economic shrinkage, impacting training budgets and the capability to carry out important skills development initiatives.

The restrictions from existing laws and regulations have hindered SETAs' capacity to act quickly and adaptably during emergencies. Although legislative frameworks guarantee accountability and transparency, they frequently do not have the necessary flexibility to swiftly respond to unexpected situations, like the pandemic. The rules that control the finances of SETAs, such as limits on overhead expenses and how grants are distributed, make it harder for them to handle and distribute funds well in a constantly changing economic situation. Nevertheless, there are numerous approaches that higher education institutions and training providers can adopt to assist SETAs in overcoming these obstacles. One important focus is the shift towards online and blended learning methods. This change allows training programs to persist during disruptions and also provides new chances for expanding and creating within skills development. In order to make the most of these opportunities, colleges and universities need to fix any weaknesses in how they design and deliver their curriculum. Training programs must be redesigned to incorporate virtual learning platforms, guaranteeing that students are exposed to theoretical concepts and hands-on experience, even if it is simulated, in order to uphold the standard of education.

Another crucial issue that must be dealt with is the merging of on-the-job training with online learning tools. The pandemic exposed a reliance on conventional face-to-face workplace training settings that became impractical in specific circumstances. Establishing collaborations among universities, SETAs, and businesses to offer virtual internships and simulated work settings can close this divide, enabling students to acquire hands-on experience without being physically present at the job site. In order to enhance funding possibilities, the SETA funding model needs to be more adaptable. One strategy is to simplify the grant application and disbursement procedure by decreasing bureaucratic obstacles, allowing SETAs to address new needs sooner. Streamlining reporting mandates and expediting grant approval can ensure efficient distribution of funds to training providers. Furthermore, supporting modifications to current laws to grant SETAs more flexibility in fund utilization during crises can aid in sustaining their operational efficiency in times of economic downturns.

The pandemic has emphasized the crucial importance of SETAs in South Africa's skills development system and pointed out the necessity of changes in their funding and operational structures. To improve the achievement of their goals and help with economic recovery, SETAs can address curriculum design gaps, foster partnerships with industries, and promote

more flexible funding mechanisms. The pandemic taught us valuable lessons that provides aid in building a stronger and more flexible skills development framework, guaranteeing continued support for skills development and job opportunities by SETAs. Carrying out this research offers important observations on how to deal with these limitations and showcase effective methods that can be used to improve the efficiency and impact of SETAs. Through the identification of crucial deficiencies and examination of creative solutions, the study aids in enhancing a stronger and more adaptive skills development system.

4.1. Introduction

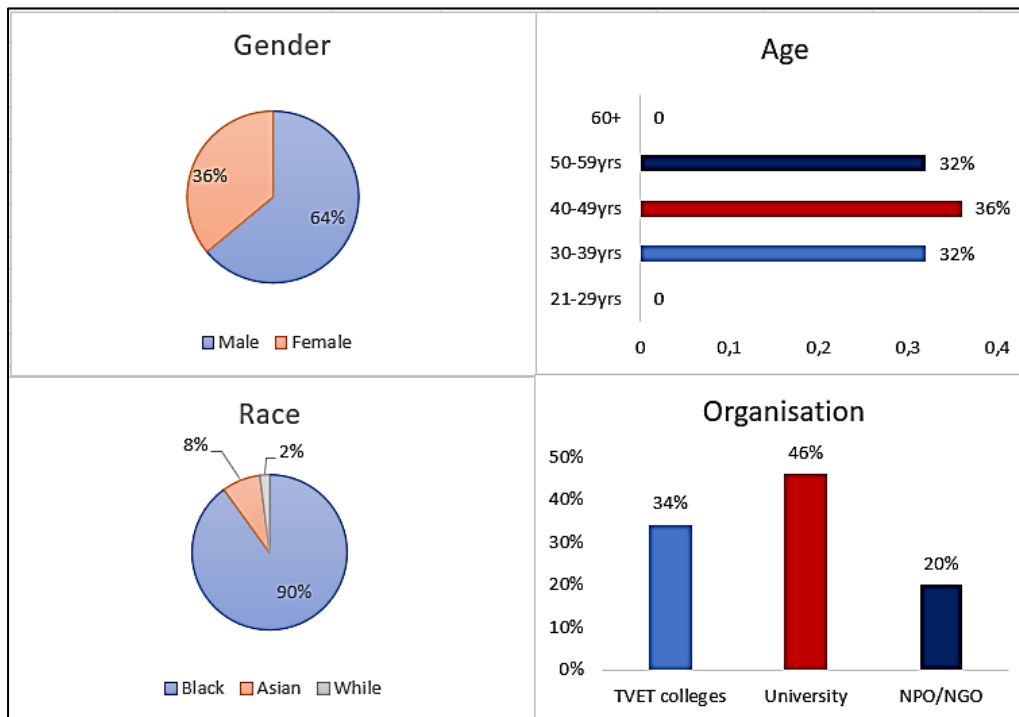
This section presents an in-depth summary of the results and conversations from the study. It starts by outlining the demographic traits of the individuals, providing a glimpse into their characteristics and history. After that, the section explores inferential statistics, which are in line with the study's goals, in order to make significant conclusions based on the data. Every following section carefully displays the findings gathered from different groups of participants, guaranteeing a thorough and organized analysis rooted in the data collected. This method enables a comprehensive investigation of the research inquiries, supported by both descriptive and inferential statistical methods.

4.2. Demographic Characteristics

The information was gathered from a varied and inclusive group of individuals, guaranteeing a comprehensive viewpoint on the topic. The initial group included individuals from non-profit organizations (NPOs) who had in-depth expertise and experience in the funding mechanisms offered by the SETA. The second group comprised of staff from TVET colleges, who offered valuable perspectives on the workings and difficulties of the vocational education industry. The third group consisted of WIL staff from a University of Technology, providing important insights on the execution and impact of WIL programs. The fourth category consisted of finance officers from specific universities who provided knowledge on strategies for funding higher education. This diverse group of stakeholders allowed for a detailed and nuanced examination of the different areas related to education and financial support.

Furthermore, demographic information such as gender, age, race, organizational connection, and tenure at the same company were gathered to provide additional insight. Next, the information was examined using descriptive statistical approaches, and the outcomes are shown in Figure 4.1 beneath.

Figure 4.1: Demographic statistics of the participants



The demographic breakdown of study participants, conducted in relation to the SETA funding model, is shown in Figure 4.1. Factors such as gender, age, race, and organizational affiliation were crucial in our analysis of the dynamics of SETA funding framework. The next part explains the findings in terms of recognizing limitations in the SETA's funding structure and suggesting potential ways to address them.

i. Gender

The breakdown of gender shows that males make up a larger portion (64%) of participants, with females making up 36%. This difference points out possible gender inequity within the organizations examined in the research. One potential limitation is that organizations may not be effectively tackling gender inequalities, possibly due to socio-economic factors or biases towards male-dominated fields. In order to tackle this issue, solutions should involve creating specific programs that encourage women to engage in training and skill-building, especially in STEM fields or other industries dominated by men.

ii. Age

The lack of individuals aged 21-29 (0%) indicates a possible need to involve younger workers in the organizations examined. Nevertheless, the demographics of employees are centered around the age groups of 30-39 years (32%), 40-49 years (36%), and 50-59 years (32%), suggesting a workforce that is mostly middle-aged. This trend indicates that funding programs

for skills development in these organizations may not be effectively engaging younger generations, potentially jeopardizing the future sustainability of the initiatives. To address this issue, it is important to create and execute funding plans that focus on attracting younger people in order to develop a workforce that is prepared for the future.

iii. Race

The demographics of the participants, with 90% being Black, 8% Asian, and 2% White, mirror the overall racial makeup of South Africa's Black community. This indicates that SETA programs are probably meeting their goal of giving priority to historically disadvantaged groups in the organizations surveyed, which is a good result. Yet, the underrepresentation of different racial groups, especially White individuals, leads to concerns about diversity. Although the data shows effective response measures, it also highlights the necessity of more racial diversity within all categories. A more equitable strategy could guarantee that all racial groups are fairly represented in SETA-funded projects.

iv. Organizational Affiliation

The information indicates that the majority of participants are from formal educational institutions, with 34% from TVET colleges and 46% from universities. This indicates that SETA funding might be favouring formal higher education over vocational or practical training provided by TVET colleges. Moreover, despite making up 20% of the participants, the fact that NPOs/NGOs are underrepresented hints that SETA's funding model may not adequately cater to community-based or grassroots organizations. Mitigating tactics should involve a fairer distribution of funding, guaranteeing that vocational training schools and non-profit organizations get sufficient backing to improve hands-on skill building and community-based empowerment.

The demographic analysis provides key information about limitations in the SETA funding model, emphasizing the necessity for funding strategies that are more inclusive, balanced, and specific. These initiatives aim to improve SETA's funding programs by tackling gaps in gender, age, racial diversity, and organizational representation, ultimately enhancing their overall effectiveness and reach. The upcoming section will address questions about how to determine and recognize limitations on funding opportunities imposed by existing laws and regulations, as well as outlining tactics that universities can adopt to streamline the process.

4.3. Constraints on the Funding Opportunities by Current Legislations and Requirements

To understand the constraints on the funding opportunities in terms of the current legislations and requirements, participants from various organisations were asked several questions. The first section presents results quantitative results for the data collected from TVET colleges.

Table 4.1: SETA funding in TVET Colleges

Scale Items	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Students' bursary has immensely assisted with their studies	0	6%	0	82%	12%
Students' bursary covers all inclusive tuition items optimally	57%	27%	0	8%	8%
Students' funding projects are smooth to run and manage	58%	36%	0	2%	4%
Funding period matches academic year of the institution	56%	39%	0	2%	3%
SETA funding & WIL programmes					
The institution receives BANKSETA funding for WIL programmes	8%	25%	12%	43%	12%
The funding for WIL programmes covers all necessary activities optimally	0%	18%	6%	29%	47%

The findings in Table 4.1 offer important understandings on how the SETA funding model, within the Department of Higher Education and Training (DHET), performs in terms of efficiency and effectiveness. These organizations allocate money to Sector Education and Training Authorities (SETAs), which receive funding from a skills levy charged to companies in different sectors like agriculture (Agri SETA) and banking (BANKSETA). The findings showed that;

i. Effectiveness of Bursaries in Supporting Studies

A large majority (82% agree, 12% strongly agree) stated that bursaries have been very helpful for students in their academic pursuits. This highlights how the funding has positively influenced improving educational access, which aligns with SETA's goal of enhancing skills development. Nonetheless, the 6% of the participants indicate that certain students might encounter difficulties, potentially because of administrative problems or lack of communication.

ii. Coverage of Tuition Costs

Only 16% (8% agreeing and 8% strongly agreeing) believe that bursaries adequately cover all tuition costs, sparking worries about the adequacy of the funding provided. The scholarships might not be enough to pay for all necessary expenses like housing and books, possibly because of insufficient funds from the skills levy. This is supported by the fact that 84% (57% strongly disagreeing and 27% disagreeing) that student bursaries cover tuition costs optimally. As such, this underscores the requirement for additional funding or broader bursary support.

iii. Efficiency in Managing Funding Projects

A substantial number of people expressed dissatisfaction with the efficient handling of funding projects. 94% (58% strongly disagreeing and 36% disagreeing) that student's funding projects are smooth to run and manage. This is also supported by only 2% agreeing and 4% strongly agreeing. This highlights issues like red tape and organizational obstacles, underscoring the importance of efficient procedures and improved collaboration between SETAs and institutions.

iv. Alignment of Funding Period with Academic Year

A mere 5% of respondents are in favour of the fact that the funding period is in line with the academic year. However, 95% of the participants (56% strongly disagreeing and 39% disagreeing) are against the fact that funding period matches academic year of the institution. The results show that misalignment may result in delays in payment of tuition fees and other costs, bringing about disruptions for students. A more coordinated distribution of funds, possibly through funding cycles spanning multiple years, could help alleviate the problem and guarantee prompt financial assistance. Though the SETA funding model has a significant impact, enhancements in administrative efficiency, bursary coverage, and synchronization with academic calendars are necessary to optimize its effectiveness.

4.3.1. SETA Funding WIL Programs in TVET Colleges

Findings from TVET colleges show that a majority of respondents support the receipt of BANKSETA funding for WIL programs (43% agreeing and 12% strongly agreeing), while a significant portion (12%) have reservations about the funding's availability while 25% disagreeing and 8% strongly disagreeing. This indicates that while numerous institutions receive assistance from BANKSETA, a considerable amount believe that the funding is not

consistently distributed or adequately spread out among TVET colleges. In terms of the sufficiency of the funding to support all essential WIL activities, 47% completely agree and 29% agree, showing that most respondents feel that the funding is enough to address the key requirements of their programs. This favourable reaction shows overall contentment with how the money is distributed for program needs like training, materials, and student support. Still, there is a disagreement from 18% of participants, indicating that there are still deficiencies in funding support, leading to certain organizations struggling to completely execute all components of the WIL initiatives. These shortages could involve things like extra resources for specific training, administrative assistance, or chances for student placement.

4.4. SETA Funding model in universities

Data was collected from various university and the results are presented in Table 4.2.

Table 4.2: SETA Funding model in Various Universities

Scale Items	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Students' bursary has immensely assisted with their studies	43%	22%	12%	12%	11%
Students' bursary covers all inclusive tuition items optimally	20%	38%	14%	14%	14%
Students funding projects are smooth to run and manage	29%	29%	5%	19%	18%
Funding period matches academic year of the institution	21%	40%	5%	12%	22%
Student academic support					
The institution also receives funding for life skills and/or academic support, in addition to tuition funding	29%	32%	10%	24%	5%
The life skills/academic covers necessary activities optimally	29%	38%	10%	18%	5%

The findings in Table 4.2 offer understanding into views on the SETA funding model, specifically regarding the impact of scholarships, project administration, and educational assistance. These results are analysed in connection with the larger structure of the NSF, which oversee and allocate funds to (SETAs), funded by a skills levy collected from companies in various industries.

i. Effectiveness of Bursaries in Supporting Studies

43% of survey participants strongly believe that bursaries haven't really helped students, while 22% simply disagree, indicating some dissatisfaction with the bursary program. This is in contrast to the 12% who agree or strongly agree, showing that only a small number of students feel sufficiently supported by the funding. This has raised worries that the current SETA

funding structure might not be fulfilling students' expectations or requirements, possibly because of inadequate coverage of necessary academic expenses or delays in distributing funds.

ii. Coverage of Tuition Costs

Likewise, a significant portion of individuals - 38% disagree and 20% strongly disagree - believe that bursaries do not adequately cover all tuition-related costs, showing a general dissatisfaction with the effectiveness of the bursary program. Just 14% of students agree or strongly agree, indicating a notable disparity between their needs and the financial assistance offered. The existing funding might not be enough to pay for additional costs other than tuition, such as housing, books, or living expenses, creating financial stress for students. This implies that it may be necessary to raise the skills levy contributions or improve their management in order to pay for all-encompassing tuition expenses.

iii. Efficiency in Managing Funding Projects

29% strongly disagree and an additional 29% disagree that the management of funding projects in different universities is viewed in a negative light due to perceived lack of smooth running. Just 19% of people agree or strongly agree, showing that a large number of survey participants believe there are operational inefficiencies. Administrative complications or delays in distributing funds could lead to challenges that impact the on-time completion of projects.

iv. Alignment of Funding Period with Academic Year

Most survey participants (40% disagree, 21% strongly disagree) believe that the funding timeframe does not match the academic schedule, leading to potential delays in student enrolment or access to required materials. This lack of alignment poses a significant problem, as students could face difficulty due to delayed disbursement of funds. Just 12% believe that the funding matches the academic year, emphasizing the importance of SETAs aligning their funding timelines with schools' academic schedules.

v. Student Academic Support

Institutions are generally not meeting the expectations for academic and life skills support, leading to dissatisfaction among students. Although 24% believe institutions are funded for this assistance, a higher proportion either strongly disagree (29%) or disagree (33%).

Additionally, 38% of individuals do not agree that the life skills/academic support adequately addresses required activities, indicating deficiencies in the range or standard of extra assistance provided. These findings indicate that even though academic support funding is accessible, it might not be adequate or properly executed.

4.5. NPOs and SETA funding programs

Data was collected from NPOs regarding their views about SETA funding programs and student success. The results are presented in Table 4.3.

Table 4.3: NPOs perceptions on SETA funding

Scale items	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Funding covers all necessarily activities optimally	10%	10%	10%	60%	10%
Funding process are easy to run and manage	10%	0%	20%	50%	20%
SETA's funding period matches the period of the institution or/and activities of the beneficiaries	20%	40%	0%	40%	0%

The results in Table 4.3 provide insights into the perceptions of Non-Profit Organizations (NPOs) regarding the adequacy and management of SETA's funding, particularly in relation to activity coverage, process efficiency, and the alignment of funding periods with institutional or beneficiary activities.

i. Funding Coverage of Necessary Activities

60% of respondents agree and 10% strongly agree that SETA funding effectively covers all required activities. This indicates that, in most cases, the funding from SETA is adequate to support the essential functions of NPO programs. Nevertheless, 10% strongly disagree, 10% disagree, and 10% are uncertain, suggesting that although most are content, some NPOs may lack sufficient funding. These gaps could be caused by particular organizational requirements that are not completely met by SETA funding or constraints in the range of activities included in the funding framework.

ii. Ease of Managing the Funding Process

Findings indicate that the majority of NPOs find it easy to manage the SETA funding process, with 50% agreeing and 20% strongly agreeing, suggesting that handling administrative and operational tasks related to SETA funds is generally uncomplicated. This is a favourable

assessment of how SETA's funding process has possibly been made more efficient to meet the operational requirements of NPOs. Nevertheless, 10% hold a strong opposing view and 20% remain uncertain, indicating that there might still be some non-profit organizations encountering difficulties when it comes to handling the funding procedure, potentially because of variations in organizational capabilities or lack of familiarity with the process.

iii. Alignment of Funding Period with Institutional or Beneficiary Activities

This issue is worrying, as 40% do not agree and 20% strongly disagree that the funding period matches the schedules of the institution or beneficiaries. This shows that over 50% of non-profit organizations feel that the funding cycle of SETA does not align with their program schedules or the needs of those they serve. A split in perceptions is evident as only 40% agree. NPOs may face operational challenges like activity delays or service interruptions due to misalignment in funding periods. This could indicate that SETA should reconsider its funding schedules to better match the timelines of NPO programs and the needs of beneficiaries.

Although many NPOs believe SETA funding supports essential activities and is simple to handle, there are worries about the synchronization of funding durations with the timelines of institutions or beneficiaries. This lack of alignment may impede the prompt implementation of programs, even though there are positive perceptions regarding the sufficiency of funding and the simplicity of management. In order to solve this issue, SETA might have to consider adjusting funding cycles to better fit the diverse timetables and needs of NPOs and those they serve, leading to improved program execution and operational efficiency.

4.6. BANKSETA and Funding Programs

Data was also collected from BANKSETA and the results are presented in Table 4.4.

Table 4.4: BANKSETA and funding programs

Scale items	Strongly Disagree	Disagree	Note Sure	Agree	Strongly Agree
SETAs receive sufficient funds for distribution amongst the indigent students	18%	64%	18%	0	0
Regulations governing investment of surplus funds provide for the opportunity maximum benefits (skills development) for beneficiaries	0	27%	9%	27%	37%
The SETAs' relationships with institutions receiving grants (e.g., employers, universities, TVETs and NPO/NGO) makes for easier access to skills development grants and maximum benefits by beneficiaries	29%	20%	20%	20%	11%

Skills levy paying by companies and distribution to SETAs and eventually the institutions are achieving intended governmental and related goals	0	11%	20%	57%	12%
---	---	-----	-----	-----	-----

The results in Table 4.4 from the collected from BANKSETA officials provide key insights into perceptions of the effectiveness and management of SETA funding.

i. SETAs receive sufficient funds for distribution amongst the indigent students

Most respondents (64% disagree and 18% strongly disagree) believe that SETAs are not getting enough funds for distribution to indigent students. However, only 18% were unsure that SETAs are not getting enough funds for distribution to indigent students. This indicates a general dissatisfaction with how funds are currently distributed, leading to doubts about SETAs ability to achieve their skill development objectives.

ii. Investment of Surplus Funds

Most officials (37% strongly agree, 27% agree) think that regulations for investing surplus funds are helpful for developing skills, but 27% disagree. This shows varying opinions, however, in general, there is a favourable outlook on the management of extra funds for the benefit of recipients.

iii. Relationships with Institutions Receiving Grants

A large portion of officials (29% strongly disagree, 20% disagree) do not think that SETA's connections with institutions (such as employers, universities, TVETs) make it easier to access grants. This indicates the necessity for enhanced cooperation between SETAs and institutions receiving grants in order to optimize the benefits of skills development.

iv. Effectiveness of Skills Levy Distribution

57% of respondents agree, with 12% strongly agreeing, that the skills levy system is successfully meeting the goals of the government and related entities, despite 11% expressing disagreement. This shows confidence in the system's capability to achieve its goals while also pointing out areas for better distribution and use of funds.

BANKSETA officials have expressed major worries about the adequacy of levy distributions from the NSF and the effectiveness of relationships with recipients like employers, universities, TVET colleges, and NPOs. A majority of survey participants (64% disagree and 18% strongly disagree) feel that the allocation of funds is not enough, suggesting that SETAs could have difficulty meeting their financial responsibilities and carrying out their mission for skills

enhancement. The lack of funding may impede SETAs' capability to offer effective assistance for different programs, restricting their ability to make a significant contribution to skills development and workforce preparedness. Moreover, connections between SETAs and organizations receiving funding are seen as another issue of worry. 49% of respondents (97%-strongly disagreed PLUS 20%-disagreed) think that these relationships do not make it easier to access skills development grants, potentially leading to a lack of coordination and communication between SETAs and institutions. The absence of collaboration may hinder recipients like students and trainees from fully utilizing the advantages of the grants for skills development, leading to a decrease in the effectiveness of the funding system.

More positively, there is increased optimism about how surplus funds are managed and the government's overall goals are achieved. Most respondents (65% agree or strongly agree) believe that the rules for investing extra funds offer chances to enhance benefits for beneficiaries, especially in terms of skill advancement. This shows trust in how SETAs manage extra money, indicating that handling surplus funds is in line with the overall objectives of skills development. Moreover, 69% (57%+12%) of survey participants think that the existing method of companies making skills levy payments and the allocation of these funds to SETAs and institutions is meeting its desired goals set by the government. This suggests that, despite worries about how funds are allocated and the connections between organizations, there is a general belief in the framework's capability to assist the government's goals for enhancing skills. Nevertheless, the varied feedback suggests that although some parts of the funding structure are successful, there are crucial areas that need substantial enhancements to guarantee the system is as productive and proficient as it can be in achieving the nation's skills development goals. The next part showcases qualitative findings gathered from the data.

Table 4.5. Key themes and subthemes regarding of constraints on the funding opportunities by current legislations and requirements

MAIN THEMES	SUB THEMES
Bureaucracy	<ul style="list-style-type: none"> • Delayed fund disbursement • Lengthy approval processes • Bottlenecks in administration
Misalignment	<ul style="list-style-type: none"> • Mismatch between funding periods and academic calendars • Year-to-year funding instead of multi-year contracts • Lack of alignment with the duration of qualifications
Resource Allocation	<ul style="list-style-type: none"> • Insufficient coverage of necessary activities (tuition, materials, mental health support) • Funding gaps in life skills and job readiness programs • Partial or delayed funding disbursement (e.g., students not receiving full amounts since 2019)

Dropout Impact	<ul style="list-style-type: none"> • Financial strain due to learners dropping out after significant resources have been spent • Suggestion to reduce funding based on the remaining academic period instead of halving the support
Collaboration	<ul style="list-style-type: none"> • Need for SETA partnerships with other stakeholders (e.g., NYDA, Department of Labour) • Importance of collaborations for entrepreneurship and job readiness training
Mental Health	<ul style="list-style-type: none"> • Impact of mental health on students' ability to manage stress and workload • Need for continuous mental health support and training for students
Stakeholder Involvement	<ul style="list-style-type: none"> • Role of traditional leaders (chiefs and kings) in community-based funding interventions • Request for political disengagement to avoid interference with project completion

The qualitative information illuminates the main difficulties and limitations in the SETA funding model, focusing on issues like red tape, lack of alignment, allocation of resources, impact of dropouts, cooperation, mental well-being, and engagement of stakeholders. These difficulties need to be perceived within the framework of the skills development system under the DHET.

i. Bureaucracy

The SETA funding model's bureaucratic inefficiencies can be seen in the delayed fund distribution, long approval procedures, and administrative obstacles. This concept is reflected in the way the NSF administers the allocation of funds to SETAs. The bureaucratic layers within these organizations are frequently the cause of delays and complications in distributing funding. Participants emphasized that the bureaucracy causes major delays, particularly because of the long processes involved in approval of funding, putting students in a state of financial uncertainty during important periods such as registration. The funding framework should focus on expediting approval procedures to guarantee timely payments and minimize administrative obstacles.

ii. Misalignment

Participants reported that one significant problem is the lack of alignment between funding periods and academic calendars. This inconsistency is due to annual funding instead of creating long-term contracts that match the length of the academic program, such as a three- or four-year program. The tendency of the current SETA funding model to renew bursaries annually results in funding being received during the middle of the academic year, potentially impacting students' timely access to essential resources and registration. SETAs, funded by companies through the skills levy, should review their funding structure to provide multi-year contracts that follow students' academic progress, ensuring financial stability during their qualification.

iii. Resource Allocation

The topic of resource distribution reveals notable deficiencies in supporting essential services like education costs, supplies, and psychological assistance. Participants stressed that the funding solely addresses essential needs such as education expenses and food, not including vital aspects like life skills education, job preparedness initiatives, and mental health assistance, all of which are crucial for students' overall growth and success in school. Moreover, the ongoing problem of partial or delayed disbursement of funds is still a concern, as some students have yet to receive funding dating back to 2019. These difficulties suggest that companies may not be making the most of the skills levy contributions they collect, and SETAs could improve by allocating resources more broadly to meet a wider range of student needs.

iv. Dropout Impact

Another limitation recognized is the financial burden that results from students leaving school prematurely. Participants noted that if students leave school, the funds available for intervention efforts are not enough to continue, since most of the resources have already been used for tuition, supplies, and staffing. A funding model that can adapt to when a student drops out might ease the financial strain on institutions and SETAs. Rather than cutting funding in half, it was proposed to reduce funding proportionately depending on the length of the academic period left.

v. Collaboration

Several participants emphasized the significance of cooperation between SETAs and other stakeholders, including the National Youth Development Agency (NYDA) and the Department of Labour. Partnering with others could assist in filling the voids in training for life skills, support for entrepreneurship, and programs preparing individuals for jobs, all of which are crucial for ensuring students finish their qualifications and are prepared for the workforce. Working together with stakeholders from different sectors can improve the effectiveness of the skills levy by increasing student opportunities.

vi. Mental Health

Additional funding and support are needed in addressing the crucial issue of students' mental health. The current method of funding SETA does not consider the need for mental health assistance, despite its growing importance due to student stress and workload. Participants recommended incorporating mental health services into the funding system to provide students with both academic and mental health support. Providing ongoing mental health

support can improve students' academic performance and general well-being, thereby supporting the success of SETA-funded programs.

vii. Stakeholder Involvement

The importance of stakeholders, especially traditional leaders (chiefs and kings), in community-funded projects was highlighted. Participants emphasized the importance of avoiding political involvement in SETA-funded projects to prevent interference and delays in project completion. By engaging with Indigenous leaders, SETAs could guarantee that funds reach the most deserving communities and individuals, especially in rural or marginalized regions. This method has the potential to enhance trust and responsibility in the allocation and management of SETA funds, therefore minimizing the risk of political interruptions. The findings show important limitations in the SETA funding model, specifically in terms of bureaucratic procedures, lack of alignment, distribution of resources, and cooperation. The DHET's system of distributing the skills development levies needs some review to ensure that funding matches academic schedules, includes crucial aspects such as mental health and life skills training, and implements long-term agreements for improved financial support for students. Improving cooperation with stakeholders and decreasing administrative obstacles will enhance the distribution of the skills levy and more effectively meet the requirements of students and institutions in different sectors.

4.7. Conclusion: Critique of SETA Funding Model

The SETA funding model, managed by the NSF plays a crucial role in supporting skills development in South Africa. Nevertheless, both qualitative and quantitative findings expose various obstacles that hinder its success. Common problems among institutions include inadequate tuition coverage, operational inefficiencies caused by bureaucratic delays, and funding periods that do not align with academic calendars. In TVET colleges, the funding model was effective in assisting students, although worries about insufficient bursary coverage and inefficiencies in project management remain. College's experience greater dissatisfaction, as survey participants point out the insufficient funding for expenses beyond tuition, such as housing, and substantial project management delays. For non-profit organizations, although SETA funding typically supported essential tasks, facing issues with aligning with institutional schedules still proves difficult. In order to improve the SETA funding model, it is necessary to simplify administrative procedures, expand scholarship support, and coordinate funding timelines with academic schedules. Improving cooperation among SETAs, stakeholders, and institutions will enhance the model's influence on students and beneficiaries, leading to better outcomes for skills development programs. The SETA funding model, plays an instrumental

role in driving skills development in South Africa. However, both qualitative and quantitative insights reveal challenges impacting its effectiveness. Key issues include insufficient tuition coverage, bureaucratic delays that create operational inefficiencies, and funding cycles misaligned with academic schedules, particularly affecting universities and TVET colleges. In TVET institutions, while the funding has provided significant support, there remain concerns over limited bursary coverage and delays in project implementation. Non-profit organizations face similar challenges, particularly in syncing funding timelines with institutional operations. To enhance the impact of SETA funding, simplifying administration, expanding support, and aligning timelines with academic calendars are essential steps. In Table 4.6, the limitations, reductions, and approaches for enhancing the financing system are outlined.

Table 4.6 Constraints, Deductions and Strategies

CONSTRAINT	DEDUCTION	STRATEGIES
Bureaucracy	The NSF is heavily involved in allocating funds to SETAs. Nevertheless, a clear limitation that is apparent from both quantitative and qualitative data is the bureaucratic inefficiency causing delays in distributing funds, particularly during important academic times. The delays, usually due to long approval processes and administrative obstacles, put students in difficult situations, especially during registration times, as indicated by qualitative feedback. The data showed a lack of satisfaction in handling the funding procedures. The complexity of the funding model's multilayered structure may be the reason for the system's inefficiency, as the NSF has to handle funds for various SETAs while complying with company contribution regulations.	The organizational structure of the NSF needs to be streamlined to prevent delays that can affect students and their academic progress. A more effective system may utilize digital platforms or automated processes for fund distribution, in addition to implementing stricter timelines for approval processes.
Misalignment	Another significant limitation is the discrepancy between the funding periods and academic calendars. Typically, SETA funding is allocated on an annual basis, which does not match the multi-year duration of numerous academic qualifications. The qualitative information indicates that this results in delays in funding during the middle of the academic	The NSF and SETAs should transition to longer funding contracts that align with the length of academic programs (e.g., three- to four-year degrees), providing stability for both students and institutions. Shifting from yearly assessments of bursary requests to a system ensuring sustained aid tied

	<p>year, causing frustration for both students and institutions. This misalignment weakens the reliability of student assistance and frequently leads to financial difficulties for students relying on prompt disbursements for educational costs.</p>	<p>to academic advancement is needed.</p>
<p>Resource Allocation</p>	<p>The distribution of resources funded by SETA is a concern due to dissatisfaction levels based on numbers and feedback quality. The funding seems to only provide for the fundamental necessities (education fees, food, textbooks), leaving significant deficiencies in vital areas like skill development, employment preparation initiatives, and psychological aid. Furthermore, there have been instances where students have not been given their complete payments, with some cases going as far back as 2019, indicating that the utilization and distribution of funds from the skills levy may be lacking.</p>	<p>The NSF and SETAs should broaden their funding to encompass a wider array of student needs, especially those that exceed academic necessities. Offering extensive assistance, such as education in life skills, mental health, and job readiness, could enhance students' overall welfare and preparedness for the job market. Furthermore, it is essential to maximize the use of funds gathered from the skills levy by implementing a more transparent distribution system to avoid delays and improper allocation.</p>
<p>Dropout Impact</p>	<p>The qualitative data highlights how student dropouts create financial strain for institutions, leading to resource challenges post significant funding expenditure. Current methods cut student funding in half when they quit, but the expenses for intervention actions (such as staffing and materials) stay the same. This leads to inefficient allocation of resources and an inability to adapt the funding model in accordance with current data.</p>	<p>A funding model that is more adaptable is needed, one that permits funding to be decreased proportionally depending on when students withdraw. This would ease financial pressure on both organizations and SETAs by making sure that resources are distributed more effectively during the academic year.</p>
<p>Collaboration</p>	<p>Collaboration between SETAs and other stakeholders like NYDA and the Department of Labour is emphasized in the qualitative feedback. These collaborations play a crucial role in bridging the divide in life skills education, entrepreneurship assistance, and job preparation initiatives, guaranteeing that students are not just academically ready but also skilled for the professional arena.</p>	<p>SETAs need to focus on working together with other government agencies and industry stakeholders to create a more thorough funding model. These collaborations can broaden the reach of the skills levy, going beyond just academic assistance to include hands-on training and programs promoting entrepreneurship that meets the</p>

		needs of students and employers alike.
Mental Health	<p>Another developing topic is the crucial necessity for mental health assistance. Quantitative and qualitative findings both show an inadequacy in the current SETA funding model, as there are shortfalls in the mental health strategies currently in place. Considering the growing academic workload and financial stress, mental health support should be strategized and be fundamental part of workers working on student funding.</p>	<p>i. Regular Mental Health Workshops: Implement structured workshops to equip workers with tools for stress management, resilience-building, and coping strategies, aligning these with the academic calendar to support students during peak periods at NFS and SETAs.</p> <p>ii. Preventative Programs and Outreach: Establishing preventative mental health initiatives that proactively address potential challenges, such as workshops on financial literacy, study-life balance, and mental well-being at NSF and SETAs.</p> <p>iii. Enhanced Access to Counselling Services: Expanding access to counselling services by ensuring availability both in-person and online, facilitating flexibility for students with varying schedules at NSF and SETAs.</p>
Stakeholder Involvement (Traditional leaders)	<p>The findings highlight the crucial role of traditional leaders, such as chiefs and kings, in community funding efforts, while also addressing concerns about political influence in SETA initiatives. Participants suggest that by actively involving traditional leaders in funding decisions, resources can be directed toward the most deserving individuals, particularly in underserved communities.</p>	<p>It is important to encourage accountability and reduce political influence, through SETAs engaging traditional leaders as key community stakeholders in the allocation of funding. This approach will foster trust and transparency, ensuring that resources reach those who need them most without political barriers that may hinder the timely completion of projects.</p>

4.8. Final Critique of SETA Model

The SETA funding model faces various operational and structural challenges which greatly reduce its ability to effectively promote skills development in different sectors. One of the main

problems is the administrative procedures related to the distribution and control of finances. Frequently, these procedures are prolonged, intricate, and involve a lot of administrative work, causing delays in distributing funds to schools and students. This not only hinders learning but also impacts students' access to timely financial assistance, especially for Work-Integrated Learning (WIL) programs. Another significant issue is the lack of synchronization between funding periods and academic and work placement cycles. The existing system functions yearly and frequently leads to funding being received in the middle of the academic year or during crucial periods when students should be engaged in internships, apprenticeships, or other types of work-based learning. This lack of alignment poses challenges for schools and students in organizing and implementing effective Work-Integrated Learning (WIL) programs due to financial instability causing uncertainty regarding complete participation.

In addition to the administrative and scheduling issues, there is a notable shortage of resources allocated to non-tuition expenses, such as housing, textbooks, transportation, and other essential supplies. This limited resource distribution disproportionately impacts students from disadvantaged backgrounds, who often struggle to meet basic living costs while pursuing their studies. Furthermore, mental health support, a critical aspect of student well-being, is glaringly absent in the current funding model. As academic and practical pressures increase, the lack of psychological support exacerbates stress, negatively affecting students' academic performance and overall health.

The sustainability of the funding model faces additional challenges due to the impact of student dropouts. When students leave their programs after considerable resources have been invested, institutions face difficulties in reallocating funds effectively, resulting in resource wastage that could have supported other students or initiatives. Additionally, the lack of strong collaboration among SETAs, educational institutions, private sector partners, and government agencies hinders the funding model from reaching its full potential. Enhanced partnerships are needed to align the skills provided in educational programs with industry demands, ensuring that the funding model adapts to the evolving job market.

In this context, traditional leaders such as chiefs and kings play an essential role in supporting effective resource allocation. Their unique position within communities allows them to identify deserving individuals and areas in need, particularly within underserved regions. Involving traditional leaders in the decision-making process can help ensure that funding is distributed equitably and reaches those who are most vulnerable. Additionally, their influence can foster trust within communities, promoting transparency and encouraging responsible use of funds, all while minimizing political barriers that may disrupt project completion. By partnering with traditional leaders, SETAs and other stakeholders can create a funding model that not only

addresses students' academic and personal needs but also strengthens community ties and accountability.

Together, these obstacles hinder the SETA funding model from effectively offering comprehensive support to students due to inefficiencies, funding misalignment, lack of resources, absence of mental health support, and limited collaboration. It is essential to tackle these issues in order to enhance the overall efficiency of the model and guarantee its meaningful contribution to South Africa's skills development and economic growth.

Table 4.7: Recommendations

EVALUATION CRITERIA	RECOMMENDATION	ENABLING APPROACHES	ACTIONS AND DELEGATED AUTHORITY	CONTEXTUALISATION	TIME FRAME
<p>EFFECTIVENESS</p>	<p>Enhancing the efficient distribution and extensive scope of the SETA funding model to enhance support for students' educational requirements and institutional oversight of funded projects, including those within Work-Integrated Learning (WIL) programs at both TVET colleges and universities.</p>	<ul style="list-style-type: none"> Utilize digital platforms for efficient fund distribution processes. Introduce multi-year contracts to match funding periods with academic and work-integrated learning cycles, guaranteeing ongoing student support for the duration of their programs. 	<ul style="list-style-type: none"> NSF: Overseeing digital solution integration to streamline processes. SETAs: Enforce multi-year funding contracts and assess alignment with student, institution, and WIL program needs. Traditional Leaders: Should collaborate with NSF and SETAs 	<p>Funding delays and limited support for non-tuition expenses reduce scholarship effectiveness. Involving traditional leaders in local contexts can increase reach and prioritize areas in need.</p>	<ul style="list-style-type: none"> Short-term (6–12 months): Launch digital platforms and align funding cycles with academic/WIL programs. Medium-term (12–24 months): Assess long-term agreements and incorporate feedback from traditional leaders.

		<ul style="list-style-type: none"> Engage traditional leaders to identify and prioritize under-resourced communities. 	to provide insights on local priorities and student eligibility within communities.		
RELEVANCE	Ensuring the sustainability of the SETA funding model through strengthened partnerships among SETAs, government departments, educational institutions, and private sector allies to support long-term funding models and address evolving skill needs.	<ul style="list-style-type: none"> Working with institutions to determine non-tuition costs, particularly for WIL programs. Partner with mental health organizations and industry to integrate psychological support and training. Consult with traditional leaders on additional 	<ul style="list-style-type: none"> SETAs: Coordinating with institutions and WIL programs to enhance bursary availability. Institutions: Provide regular updates on student needs, especially WIL requirements, and track the impact of bursary modifications. 	The current funding model places too much emphasis on tuition fees and neglects important aspects of student welfare and hands-on training, especially in WIL programs. Improving these gaps will greatly enhance the suitability and impact of the funding structure for both TVET and university students.	<ul style="list-style-type: none"> Short-term (6 months): Begin discussions to adjust scholarships. Medium-term (12–18 months): Implement revised bursary models that address non-tuition and WIL needs, with input from traditional leaders.

		support required by students in underserved areas.	<ul style="list-style-type: none"> • Traditional Leaders: Should be given a role to offer guidance on community-specific needs and provide insights into local challenges affecting students. 		
EFFICIENCY	Increasing the efficiency of the SETA funding model by streamlining administrative procedures and enhancing project management for funded initiatives, especially WIL projects.	<ul style="list-style-type: none"> • Establishing uniform protocols for handling funded initiatives, particularly WIL programs. • Develop capacity-building initiatives for institutions on effective fund management for WIL programs. 	<ul style="list-style-type: none"> • NSF: Developing and share standardized project management guidelines for SETA-funded programs. • Institutions: Participate in capacity-building programs to improve internal 	<ul style="list-style-type: none"> • Many institutions, particularly those with WIL programs, struggle with the administrative demands of SETA-funded projects. Traditional leaders can support local accountability, ensuring transparent and effective use of resources. 	<ul style="list-style-type: none"> • Short-term (6–12 months): Create and share project management guidelines. • Medium-term (12–24 months): Train institutional staff and involve traditional

		<ul style="list-style-type: none"> Partner with traditional leaders to assist in monitoring and accountability within local contexts. 	<ul style="list-style-type: none"> Traditional Leaders: Should be allowed to assist with monitoring and provide local oversight to ensure transparent fund use and effectiveness. 		<p>leaders in local monitoring.</p>
SUSTAINABILITY	<p>Ensuring the sustainability of the SETA funding model through strengthened partnerships among SETAs, government departments, educational institutions, and private sector allies to support long-term funding models and address evolving skill needs.</p>	<ul style="list-style-type: none"> Formalizing partnerships with the private sector to secure funding and enhance WIL programs. Regularly review funding structures to align with market trends 	<ul style="list-style-type: none"> SETAs: Leading collaborations with private sector, government, and community stakeholders for sustainable WIL funding. NSF: Regularly evaluating the financial structure 	<p>Stronger partnerships are needed to ensure the SETA funding model remains viable. Involving traditional leaders can enhance community investment and support locally relevant skill development initiatives.</p>	<p>Long-term (24+ months): Establish and maintain partnerships, with regular reviews to ensure adaptability to academic and WIL needs in a dynamic economy.</p>

		<p>and skill demands.</p> <ul style="list-style-type: none"> Engage traditional leaders to foster community-based support and ensure alignment with local workforce needs. 	<p>to stay aligned with market trends and evolving skill needs.</p> <ul style="list-style-type: none"> Traditional Leaders: Advocating within communities for skills training and support partnerships that align with local economic needs is fundamental. 		
--	--	---	---	--	--

LIST OF REFERENCES

- Allemang, B. & Sitter, K., 2022. Pragmatism as a paradigm for patient-oriented research. *Health Expectations*, 25(1), pp. 38-47.
- Annual Report 2016-2017 – BANKSETA. <http://www.BANKSETAseta.org.za › sites › default › files.PDF>. Accessed on 4 January 2022.
- Annual Report 2016-2017 – ETDP SETA. <http://www.etdpseta.org.za › sites › default › files.PDF>. Accessed on 4 January 2022.
- Annual Report 2020-2021 – BANKSETA. [Annual-Report-2020-2021.pdf](http://www.BANKSETA.org.za/Annual-Report-2020-2021.pdf) (BANKSETA.org.za). Accessed on 3 February 2023.
- Axen, C. 2023. Skills Development: how to develop your skills. <https://elearningindustry.com/skills-development-how-to-develop-your-skills>. Accessed on 13 March 2023.
- Banking Sector Education and Training Authority. 2023. <https://www.BANKSETA.org.za/about-us/who-we-are>. Accessed on 13 March
- Banking Sector Education and Training Authority. 2024. Skills development has been identified as a key requirement for economic growth in South Africa. [Online] Available at: <https://www.BANKSETA.org.za/about-us/who-we-are/> [Accessed 18 September 2024].
- Badenhorst, C. 2021. Soft Skills in the Modern Workforce: A South African Perspective. *Journal of Vocational Education & Training*.
- Botha, N., & de Waal, S. 2019. Challenges in the SETA Funding Model: An Evaluation. *South African Journal of Education*.
- Bridgespan, 2016. Funding models. <https://www.bridgespan.org/insights/funding-models>.
- Boyle, B .2009. 'Blade vows to keep Seta's But will change the way they work.'
URL: <http://www.timeslive.co.za/news/article180223.ece>. Accessed on 4 January 2022.
- Bill of Rights, 2020. This Bill of Rights is a cornerstone of democracy in South Africa. [Online] Available at: <https://www.justice.gov.za/constitution/chp02.html#:~:text=22.,may%20be%20regulated%20by%20law>. [Accessed 18 September 2024].
- Cooper, L., Orrell, J., & Bowden, M. 2010. *Work-Integrated Learning: A Guide to Effective Practice*. Routledge.
- Department of Higher Education and Training. (2020). *National Skills Development Plan (NSDP) 2030*. DHET.
- Department of Higher Education and Training, 2019. *SKILLS DEVELOPMENT ACT, 1998 (ACT No. 97 of 1998): PROMULGATION OF THE NATIONAL SKILLS DEVELOPMENT PLAN (NSDP)*. [Online] Available at: <https://www.mersetza.org.za/wp-content/uploads/2021/04/Promulgation-of-the-National-Skills-Development-Plan.pdf> [Accessed 18 September 2024].

- DHET, 2018. National Skills Development Strategy (2011-2016) NSDS III. [Online] Available at: https://static.pmg.org.za/docs/110301nsds_0.pdf[Accessed 26 September 2024].
- Food Bev Manufacturing SETA, 2024. Strategic Plan 202/2021-2024/2025. [Online] Available at: [https://static.pmg.org.za/Minister_of_DHET_DSI_FOODBEV - STRATEGIC PLAN 2020-2025.pdf](https://static.pmg.org.za/Minister_of_DHET_DSI_FOODBEV_-_STRATEGIC_PLAN_2020-2025.pdf) [Accessed 18 September 2024].
- Government Gazette, 2008. No. 37 of 2008: Skills Development Amendment Act, 2008.. [Online] Available at: <https://mqa.org.za/wp-content/uploads/2021/08/SKILLS-DEVELOPMENT-AMENDMENT-ACT-37-OF-2008.pdf> [Accessed 18 September 2024].
- Ismail, S., & Mohammed, H. (2018). Funding Beyond Tuition: A Review of the SETA Model. *Journal of Skills Development in Africa*.
- Letseka, M., et al. (2018). The Role of Work-Integrated Learning in Skills Development. *International Journal of Educational Development*.
- McGrath, S. (2004). *The SETA Funding Model and Skills Development in South Africa*. Cape Town University Press.
- Mentz, A. (2020). Aligning Funding Cycles with Academic Schedules: A SETA Challenge. *Journal of African Vocational Education*.
- MERSETA, 2019. SKILLS DEVELOPMENT ACT, 1998 (ACT No. 97 of 1998): PROMULGATION OF THE NATIONAL SKILLS DEVELOPMENT PLAN. [Online] Available at: <https://www.merseta.org.za/wp-content/uploads/2021/04/Promulgation-of-the-National-Skills-Development-Plan.pdf> [Accessed 24 September 2024].
- Mzabalazo and REAL, 2018. NSDSIII Evaluation: Evaluation of the National Skills Development Strategy (NSDS III) 2011-2016.
- Mohr, P. 2004. Economics for South African Students Van Schaik Chapter 23 Economic growth and development 575
- National Skills Authority, 2015. <https://www.nationalskillsauthority.org/roles-and-functions/SETAS/>. Accessed on 13 March 2023.
- National Skills Authority. (2021). National Skills Development Strategy (NSDS) III Framework Review. NSF.
- National Treasury, 2019. Public Finance Management Act 1 of 1999. [Online] Available at: <https://www.treasury.gov.za/legislation/pfma/act.pdf>[Accessed 18 September 2024].
- Powell, L. (2016). Bureaucracy and Efficiency in the SETA Funding Model. *Journal of South African Public Policy*
- Rosenberg, E. and Ward, M. 2020. Framework for Monitoring and Evaluating the Mandatory Grant: Final Report. Rhodes University, Grahamstown.
- Rosenberg, E. and Ward, M. 2020. SETA Performance Management & Standards. Project 3: Develop Standards for SETA Performance. Rhodes University SETA M&E Research Partnership Initiative: Project 3
- Rosenberg, E. and Royle, C. 2020. M&E Project 1: Develop a High Level Monitoring and Evaluation Framework for the SETA Environment
- Saunders, M., Lewis, P. and Thornhill, A. 2016. *Research methods for business students*. Pearson Education: Harlow, England.

- Sibanda S. and Sibanda T. 2016. Financial education in South Africa. Overview of key initiatives and actors.
- South Africa, No. 67 of 2008: National Qualifications Framework Act, 2008.
- South Africa. Government publication 1998. Skills Development Act No 97 [online] URL: [http://www.nqf.org.za/download_files/nqf-support/Skills%20Development%20Act%20\(No.%2097%20of%201998\).pdf](http://www.nqf.org.za/download_files/nqf-support/Skills%20Development%20Act%20(No.%2097%20of%201998).pdf) Accessed on 4 January 2022.
- Sacred Heart University, 2006. Organizing Academic Research Papers: Types of Research Designs. [Online] Available at: <https://library.sacredheart.edu/c.php?g=29803&p=185902#:~:text=The%20research%20design%20refers%20to,measurement%2C%20and%20analysis%20of%20data.> [Accessed 19 September 2024].
- South African Government, 2011. Amend the Skills Development Act, 199. [Online] Available at: https://www.gov.za/sites/default/files/gcis_document/201409/34222gen228c.pdf [Accessed 18 September 2024].
- South African Government News Agency, 2024. Nzimande commends SETAs role in facilitating skills development. [Online] Available at: <https://www.sanews.gov.za/south-africa/nzimande-commends-setas-role-facilitating-skills-development> [Accessed 19 September 2024].
- Tesch, R. 1990. Qualitative research: Analysis types and software tools. New York: Falmer.
- Turner, M., Halabi ,A.K., Sartorius, K. and Arendse, J. 2013. An investigation of the efficiency of South Africa's sector education and training authorities (SETA's). South African Journal of Business Management:44(2)
- Tsamontle, M. N., 2023. Investigating good governance and leadership within the Sector Education and Training Authorities (SETAs). [Online] Available at: <https://scholar.ufs.ac.za/items/765f8f27-e9c9-425f-8c1f-bbacb8e2ea69> [Accessed 18 September 2024].
- University of South Africa, 2023. The Skills Development Amendment Act, 37 of 2008. [Online] Available at: <https://www.studocu.com/en-za/document/university-of-south-africa/management-of-training-and-development/the-skills-development-amendment-act-37-of-2008/102258491> [Accessed 18 September 2024].
- Visser, M., & Kruss, G. (2019). Aligning SETA Funding with National Development Goals. Journal of African Economic Development.
- Ward, M. & Eureka Rosenberg, 2020. High-Level M&E Framework for the SETA Environment. [Online] Available at: <https://www.BANKSETA.org.za/wp-content/uploads/2021/01/High-level-ME-Framework-for-SETA-Environment.pdf> [Accessed 18 September 2024].