**SCHOOL OF PUBLIC MANAGEMENT AND ADMINISTRATION.**

**RESEARCH PROPOSAL**

**NME 801**

**RESEARCH TOPIC**

**CHALLENGES OF MANAGEMENT IN THE ALLOCATION OF THE NATIONAL STUDENT FINANCIAL AID SCHEME FUNDING AT THE UNIVERSITY OF PRETORIA**.

**JULY, 2024**

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# **STUDENT`S DECLARATION**

This proposal is my original work and has not been presented in University Of Pretoria.

Signature……………………………… Date :………………………………………

Student Name …………………………………………………….

Registration No: **NME 801**

# **SUPERVISORS`S DECLARATION**

This proposal has been submitted for review with our approval University Of Pretoria.

Signature……………………………… Date :………………………………………

Name: ………………………………………………………………..

# **ACKNOWLEDGEMENT**

I thank God for his providence and blessings from the beginning, until completion of the project proposal.

My supervisor **………………………..** and all the clinical medicine departmentmembers. He gave me all the necessary support and guidance until completion of the project. I will forever be indebted and grateful for what he did.

# **ABSTRACT**

The allocation of the National Student Financial Aid Scheme (NSFAS) funding at the University of Pretoria faces significant management challenges that impact its effectiveness and efficiency. This study aims to identify and analyze these challenges, focusing on administrative processes, resource distribution, and stakeholder engagement. Through a comprehensive examination of these factors, the research seeks to uncover the root causes of inefficiencies within the NSFAS funding allocation system. By understanding the administrative bottlenecks, resource allocation disparities, and the dynamics of stakeholder interactions, the study provides insights into potential areas for improvement.

Additionally, the study examines the implications of these challenges on students' access to education and their academic performance. By addressing these issues, the research aims to contribute to the development of more robust and equitable funding allocation practices at the University of Pretoria. The findings of this study are expected to offer valuable recommendations for policymakers, university administrators, and NSFAS officials, with the goal of enhancing the overall effectiveness of the funding scheme and ensuring that financial aid reaches the students who need it most.

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# **ABBREVIATIONS**

NSFAS -National Student Financial Aid Scheme.

# **CHAPTER ONE: INTRODUCTION**

# **1.0 Introduction**

The National Student Financial Aid Scheme (NSFAS) plays a crucial role in providing financial assistance to students in South Africa, particularly those from low and middle-income families. Since its inception in 1999, NSFAS has assisted millions of students, significantly bridging the gap for the poor to access educational opportunities for better livelihoods. However, funding discrepancies within NSFAS have led to significant challenges, especially at the University of Pretoria. This study aims to explore the consequences of these discrepancies and their ramifications on students at the University of Pretoria. Additionally, it seeks to identify factors contributing to these discrepancies and propose threshold policies to address the financial burden faced by students.

Focusing on the University of Pretoria, this research will provide insights into the unique obstacles that students experience in gaining entry to and excelling in higher education. It will examine the administrative difficulties, socioeconomic variables, and regulatory restrictions that lead to funding disparities within NSFAS at this institution. By concentrating on a single university, the study aims to offer a detailed understanding of the specific management challenges faced in the allocation and distribution of NSFAS funds

The study will delve into how these funding discrepancies impact students at the University of Pretoria, including their ability to afford education, their academic performance, and their access to resources. It will analyze the administrative processes and policies in place at the University of Pretoria that contribute to these challenges, highlighting areas for improvement. By examining the roles of university management, NSFAS officials, and student leaders, the research will provide a comprehensive view of the complexities involved in managing financial aid at this institution.

# **CHAPTER TWO: PRELIMINARY LITERATURE REVIEW.**

# **2.0 Introduction**

The National Student Financial Aid Scheme (NSFAS) was established with the primary objective of funding students from disadvantaged backgrounds to attend higher education institutions and technical colleges. It is a South African government entity designed to provide financial assistance to students who need help accessing higher education. According to the NSFAS Eligibility Report (2023), the main goal of NSFAS is to make education accessible to all, regardless of financial circumstances.

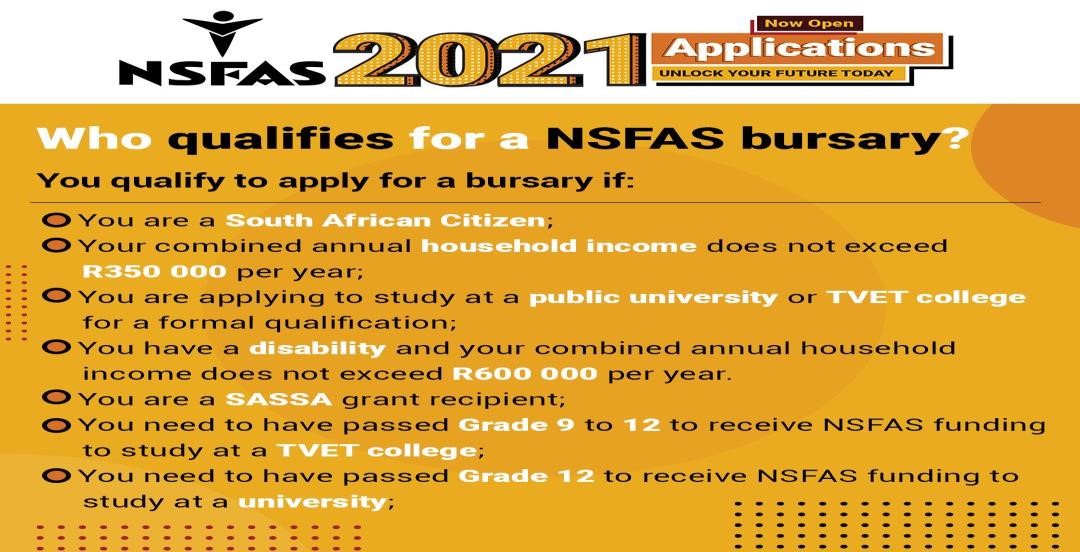


Figure 1-(Source: http://www.nsfas.org.za/buraryscheme/ )

# 2.1 **Conseptual framework** .

The conceptual framework for this study draws upon several key theoretical perspectives to analyze the management of NSFAS funding at the University of Pretoria. At its core, the study is anchored in management theories that explore organizational behavior, resource allocation, and strategic decision-making within educational institutions. Specifically, the Resource Dependency Theory (RDT) provides a lens through which to understand how universities like the University of Pretoria depend on external funding sources, such as NSFAS, to sustain their operations and support their student body. RDT posits that organizations strategically manage their external dependencies to ensure stability and effectiveness in achieving their goals (Pfeffer & Salancik, 1978).

Additionally, Institutional Theory offers insights into how organizational structures, norms, and practices within the University of Pretoria are shaped by external pressures and expectations, including those related to funding distribution and equity in access to education (DiMaggio & Powell, 1983).

Moreover, the study incorporates elements of Critical Management Studies (CMS) to critically examine power dynamics, inequalities, and ethical implications associated with NSFAS funding allocation. (Alvesson & Willmott, 1992).

# 2.1.0 Collaboration and partnerships

Collaboration between NSFAS, the Department of Higher Education, and higher learning institutions is crucial for successful policy transformation and addressing funding challenges. However, many higher learning institutions in South Africa appear to be oriented towards capitalist principles. In a country marked by high income inequality and where the middle class is increasingly under pressure (NSFAS, 2022), these dynamics pose significant challenges to the equitable distribution of NSFAS funding.

# 2.1.1 Human capital theory

This is an important theory in economics and social sciences that emphasises on the importance of investing in human resources and capabilities. This phenomenon was introduced by authors Gary Becker and Theodore Schultz. NSFAS are in the forefront of investing in human skills and development. This theory will allow the research to examine the level of impact human capital investment and how continuous changes and improvement can be implemented in the near future. Human capital theory will provide the researcher a comprehensive framework in dissecting the relationships between education, productivity, and economic growth.

# 2.2 **Theoretical framework**

Theoretical framework is a key component of this research study, it allows the relevant data of this study to be quantified and the researcher will be able to analyse and interpret the necessary data. A few theories which are key drivers of this study will be briefly dissected.

# 2.2.1 Management theory

Management theory provides a framework for understanding the complexities and dynamics involved in the allocation of financial resources within an organization. Various theories, including classical management theory, human relations theory, and modern management approaches, offer insights into how effective management practices can enhance organizational performance. (Pfeffer & Salancik, 1978).

* Classical Management Theory

Classical management theory, pioneered by figures such as Henri Fayol and Frederick Taylor, emphasizes efficiency, productivity, and a hierarchical organizational structure. This theory advocates for clear lines of authority, division of labor, and a focus on optimizing operational processes. In the context of NSFAS funding at the University of Pretoria, classical management principles can be applied to streamline the allocation process, ensuring that resources are distributed efficiently and according to established criteria.

* Human Relations Theory

Human relations theory, developed by Elton Mayo and his contemporaries, shifts the focus to the importance of interpersonal relationships and employee morale in achieving organizational goals. This theory underscores the significance of communication, collaboration, and employee satisfaction. Applying human relations principles to the management of NSFAS funding can help address challenges related to stakeholder engagement, transparency, and trust. By fostering a collaborative environment, the University of Pretoria can improve the effectiveness of its financial aid distribution.

* Modern Management Theories

Modern management theories, such as systems theory and contingency theory, emphasize the need for adaptability and a holistic approach to management. Systems theory views an organization as a complex set of interrelated components, suggesting that changes in one part of the system can affect the whole. This perspective is particularly relevant in the context of NSFAS funding at the University of Pretoria, where various departments and stakeholders must work together seamlessly to ensure efficient resource allocation. (Pfeffer & Salancik, 1978).

Contingency theory, on the other hand, posits that there is no one-size-fits-all approach to management. Instead, the effectiveness of management practices depends on the specific context and variables at play. For the University of Pretoria, this means that the strategies used to manage NSFAS funding should be flexible and adaptable to the unique challenges and opportunities faced by the institution

**Stakeholders in Management at the University of Pretoria**

1. University Administration: This group includes the Vice-Chancellor, deans, and other senior administrators responsible for overall strategic direction and decision-making regarding financial aid policies.
2. Financial Aid Office: The Financial Aid Office manages the day-to-day operations of NSFAS funding distribution, including application processing, eligibility determination, and fund disbursement.
3. Academic Departments: Faculty members and department heads provide insights into students' academic performance and financial needs, helping to prioritize aid distribution.
4. Student Representative Council (SRC): The SRC advocates for students' interests, ensuring their voices are heard in financial aid discussions and policy formulation.
5. Students: As primary beneficiaries, students are directly affected by NSFAS funding decisions and provide critical feedback on the effectiveness of financial aid programs.

# 2.3 **Legislative framework**

Historically South Africa has fostered and established constitutional policies and frameworks that allows NSFAS to operate within its legislative framework which points out its primary objectives, functions, and guidelines for operations. (Alvesson & Willmott, 1992).

* NSFAS Act

The NSFAS Act (Act 56 of 1999), is the main legislation that sets NSFAS as a statutory organization and describes its goals, financing sources, and standards for determining which students are qualified to receive financial assistance (NSFAS 2022).

* Higher Education Act

The higher education Act (Act 101 of 1997). The purpose of this act is to regulate higher institutions all over the country, this Act establishes the overall legal framework for higher education in South Africa. It contains clauses pertaining to the funding of universities and the function of NSFAS in granting student financial aid (NSFAS 2022).

* Public Finance Act

The Public Finance Management Act (PFMA), (Act 1 of 1999), which lists NSFAS as a Schedule 3A public body, also applies to NSFAS as a public entity. The board is required by the NSFAS Act to oversee, manage, and administer NSFAS. The Act mandates that the board form a board finance committee and an executive committee consisting of five members).

# **CHAPTER THREE: RESEARCH METHODOLOGY.**

**3.0 Research Objectives**

The research objective of this study is to find out the different NSFAS policies or alternative funding which has been effectively put in place to cater the dying missing middle class of the country. This study aims to conclusively examine these policies and measures and draw a conclusion on the effectiveness thereof.

Furthermore, this study seeks to draw a comprehensive analysis on parties such higher institutions, department of higher education and NSFAS has come in terms of making sure that policies are put into practice to remedy the unjust and inefficient funding criteria.

**3.0 Significance of study.**

This study holds significant implications for the University of Pretoria and the broader educational community by providing insights into the application of management theory to NSFAS funding management. By examining how classical management principles, human relations theory, and modern management approaches are implemented and perceived within the context of financial aid distribution, the study aims to enhance operational efficiency, stakeholder engagement, and overall effectiveness. The findings will offer actionable recommendations to university administrators, policymakers, and practitioners involved in managing NSFAS funds, guiding improvements in decision-making processes, resource allocation strategies, and stakeholder communication.

**3.1 Research Questions**

Will use these research questions tailored to explore the application of management theory to NSFAS funding at the University of Pretoria:

1. How do classical management principles impact the efficiency and effectiveness of NSFAS funding allocation at the University of Pretoria?
2. What role do interpersonal relationships and communication, as emphasized by human relations theory, play in the stakeholder engagement process of NSFAS funding at the University of Pretoria?
3. How can systems theory be applied to identify and address bottlenecks in the NSFAS funding distribution process at the University of Pretoria?
4. In what ways does contingency theory inform the adaptability of NSFAS funding strategies at the University of Pretoria in response to fluctuating demand and external pressures?

**3.2 Research approach and design**

This study will make use of qualitative research. Qualitative research is a comprehensive method that aims at securing important and useful information. Gathering as much information will allow the researcher to facilitate a deeper comprehension of the problem, another method should be applied such as quantitative approach; the entire study will remain unexplained and reduced to numbers.

Qualitative method approach will allow the researcher to get a rich and detailed information. Out of the three study methods, only the qualitative approach addresses this component; as previously said, it enables participants to freely ramble and express themselves, whether orally during interviews or in the form of journal and newspaper pieces.

## **3.3 Sampling**

Sampling involves selecting a portion of the population to represent the entire group in the study. Given the scope and objectives of this research, it is impractical to include every member of the University of Pretoria's community. Instead, a representative sample will be chosen to provide insights into the challenges of managing NSFAS funding at this specific institution. The sample will exclusively focus on the University of Pretoria, located in Gauteng, to ensure a concentrated and in-depth analysis.

**3.4 Data Collection Instruments.**

To explore the research questions related to the application of management theory to NSFAS funding at the University of Pretoria, two primary data collection instruments will be utilized: structured interviews and document analysis.

1. Structured Interviews

* University Administration: Vice-Chancellor, deans, and senior administrators responsible for strategic decision-making regarding financial aid.
* Financial Aid Office Staff: Personnel managing the operational aspects of NSFAS funding, including application processing and fund disbursement.
* Academic Department Heads: Faculty members who provide insights into students' academic performance and financial needs.
* Student Representative Council (SRC) Members: Representatives advocating for students' interests in financial aid discussions.
* Students: Recipients of NSFAS funding who can provide feedback on the effectiveness and impact of financial aid programs.

1. Document Analysis

* NSFAS Funding Policies and Guidelines: Official documents outlining the criteria, processes, and regulations governing NSFAS funding at the University of Pretoria.
* University Reports and Audits: Annual reports, financial statements, and audit reports related to the allocation and management of NSFAS funds.
* Meeting Minutes and Correspondence: Records of meetings and communications between different stakeholders involved in NSFAS funding decisions.
* Feedback and Evaluation Reports: Documents containing feedback from students and staff on the effectiveness of NSFAS funding distribution and management.

**3.2 Research approach and design**

The data analysis strategy for this study on the application of management theory to NSFAS funding at the University of Pretoria involves a structured approach to both interview transcripts and document analysis. First, all interview recordings will be transcribed verbatim, ensuring accuracy in capturing participants' perspectives.

Themes will be identified and categorized to explore stakeholder perceptions on issues such as operational efficiency and stakeholder engagement. Similarly, documents such as NSFAS policies, financial reports, and meeting minutes will be analyzed through content analysis, focusing on extracting and coding relevant information pertaining to management practices and their alignment with theoretical framework.

# **CHAPTER FOUR: ETHICAL CONSIDERATION.**

# **4.0 Introduction**

One important acknowledgement of this research that won't be interfered with unethical behaviour. Firstly, an ethical clearance for this research study shall be certain documents and data, the author of this work will conduct audible interviews and make electronic communication methods.

# **4.0 Conclusion**

The financial well-being and access to higher education of middle-class Gauteng students are significantly impacted by eligibility policies within NSFAS. To help the missing middle class, addressing these dysfunctional ties calls for an all-encompassing strategy that combines targeted interventions and regulatory changes. Through the implementation of threshold criteria and fair financial aid distribution, NSFAS can enhance its ability to cater to the varied requirements of South African students and encourage universal access to higher education.

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