

POLYTECHNIC OF NAMIBIA HAROLD PUPKEWITZ (HP) GRADUATE SCHOOL OF BUSINESS

Exploring key drivers enabling skills based graduates and artisans to take-up entrepreneurial initiatives in Namibia,

A Case Study of Windhoek

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Thesis presented in partial fulfilment of the requirements for the Degree of Master of
International Business in the HP Graduate School of Business
at the Polytechnic of Namibia

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30 March 2014

DECLARATION OF ORIGINAL WORK

I, Elia Festus Tonata N	ashandi declare that this thesis is	s my own unaided work. Any
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ACKNOWLEDGEMENTS

I would never have been able to finish my dissertation without the guidance and support from my Instructors, family and friends. I would like to express my deepest gratitude to my supervisor, Mr. Tafirenyika Sunde, for his guidance, patience, and equipping me with the tools for doing this research. Special thanks go to Prof. Grafton Whyte, who through interaction let me experience how to conduct scientific research and was particularly persuasive for me to complete this research on time.

Many thanks to my research assistants Casper Kahingunga, Lasren Kahingunga and Kunondjo Batira, for helping me distribute and collect questionnaires in Windhoek; including the respondents who took time to complete the questionnaires. My research would not have been possible without their help.

I would like to thank my wife Johanna Ndilimeke Nashandi, whose assistance and support has gone beyond that of a best friend, as she was always willing to listen and give her objective suggestions. To my three daughters Nelago, M'taleni and Katsuwe, it would have been a lonely journey without your encouragement and you cheering me up. You stood by me when I felt like giving up. Without you, I was going to delay in completing this research.

Last but not least, I would also like to thank my father, my siblings for their support and encouraging gestures.

DEDICATION

This work is dedicated to my late mother, Frieda Mutaleni Nashandi and Meme Johanna
Kandali Imene for instilling the importance of hard work and their encouragement for me
to reach higher education dreams. I feel so blessed and inspired by their hard work.

ABSTRACT

Over 8,000 skill based graduates and artisans were trained during 2011-2012 from various Vocational Education and Training (VET) Centres in Namibia. Despite the skills gained and government spending of more than N\$270mill during the 2012/13 financial year, graduates fail to start businesses.

The overall objective of this research study was to establish which factors influence skills based graduates and artisans to start a business, by answering three questions. This study assessed thirteen factors based on four themes aligned to the metacognitive model of mind set and utilised quantitative research methods following a positivist approach. A pre-coded self-administered structured questionnaire was used to collect data from a sample of 118 skills based graduates and artisans operating SMEs from the City of Windhoek and Namibia Development Corporation (NDC) incubation centres and industrial stalls in Windhoek. Data was captured using MS Excel, analysed through SPSS, IBM 20, and One Way ANOVA test used to verify the significance of factors. The research found that four factors are critical drivers in influencing skills based graduates and artisans to take up entrepreneurial initiatives namely: Subject choices and initiation, access to funding, making the right decisions at crucial moments as a reason for business success and relevance of skills gained. The study concluded that entrepreneurial initiatives among the younger age group (18 to 25 years) is mainly dormant due to difficulties in accessing funding, lack of incentives and lack of programs to consciously inculcate entrepreneurial mind-sets. Continuous consultation and curricula review is essential to satisfy the skills requirements of the changing labour market.

Key words: VET, VTC, Entrepreneurship, Skills, Artisans, Namibia

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ACRONYMS

BON Bank of Namibia

CBET Competency Based Education and Training

COSDEC Community Skill Development Centre

EC European Commission

GDP Gross Domestic Product

GEM Global Entrepreneurship Monitor

HEI Higher Education Institution

HEIF Higher Education Innovation Fund

ILO International Labour Organization

KAYEC Katutura Youth Enterprise Centre

MTI Ministry of Trade and Industry

NBIC Namibia Business Innovation Centre

NDC Namibia Development Corporation

NDP4 National Development Plan Four

NPC National Planning Commission

NSA Namibia Statistic Agency

NTA Namibia Training Authority

NTTC National Trade Testing and Certification Centre

NYS National Youth Service

RSA Republic of South Africa

SADC Southern Africa Development Countries

SME Small and Medium Enterprise

TPB Theory of Planned Behaviour

UK United Kingdom

USD United State of America Dollar

VET Vocation Education and Training

VTC Vocation Training Centre

WVTC Windhoek Vocational Training Centre

CHAPTER 1: INTRODUCTION

1.1 Background

Namibia is classified as an upper middle-income country with an estimated GDP per capita of USD 5,293 (NPC, 2012). This has put the country at a disadvantage because the rating disqualifies the country from receiving development aid (World Bank, 2013). The country is faced with daunting challenges among others lack of qualified, skilled labour force and high unemployment rate. One of the key goals for Vision 2030 is to reduce the unemployment rate to less than 5%.

Namibia's Fourth National Development Plan (NDP4) regards the skills deficit to be the barrier for industries to attain higher economic output. As a short-term strategy, the plan recommends importation of essential skills as a way of fast tracking economic growth. In the long run emphasis should be placed on enhancing and prioritizing education and skills (NPC, 2012a). This could be achieved by linking Vocational Education and Training (VET) as well as technical education to the four priority areas, namely; logistics, tourism, manufacturing and agriculture (NPC, 2012b).

1.2 Statement of the Problem

Namibia on an annual basis graduates artisans and skills based graduates from VTCs, complemented by other technical training providers such as National Youth Service (NYS), Katutura Youth Enterprises Centre (KAYEC) and Community Skills Development Centre (COSDEC). The Namibian government allocated N\$ 9.4 billion, which represents 23.6% of 2012 /13 national budget to the education sector. Allocation to

VET in Namibia amounts to about N\$ 270mill in 2013. Output from Vocational Training and Technical Education increased from 6,500 to over 8,000 graduates in 2011-2012 (Ministry of Finance, 2013, p. 127). Despite the above mentioned enrolment rates and spending, graduates remain unable to start businesses that contributes to employment creation in the country. This research, therefore, attempted to *explore the key drivers enabling skills based graduates and artisans to take up entrepreneurial initiatives in Namibia*.

1.3 Research Objective

The objective of the research was: to establish factors that influence skills based graduates and artisans to start a business.

Specific research questions

To measure the objective of the study respondents were asked to answer the following questions:

- a) What are the critical factors to create an enterprise culture in Namibia?
- b) What incentives will motivate individuals to start businesses?
- c) What are the prerequisites to establish apprenticeship programs and VET systems that evolve with the Namibian labour market requirements?

1.4 The Significance of the Study

This research study is of significance to the domain of vocational education and training in Namibia because no study has been conducted assessing factors for not starting up a business. The data will further provide baseline information on the

perception of graduates and artisans who have started businesses in Windhoek and provide a platform for further inquiry. In addition, the study can be used by vocational training providers to review their curricula's and further consult with VET stakeholders.

1.5 Scope of Study

The study is limited to thirteen factors that are considered to be key drivers influencing individuals to respond to innovative ideas, as guided by the Metacognitive Model (Haynie, Sheperd, Mosakowski & Earley, 2010). The study will focus on artisans and skills based graduates that have started a business and will not assess the success or sustainability of the business.

1.6 Definition of Key Terms

For the purpose of this study, the following key terms are defined:

- 1.6.1 **Youth:** refer to any individual between 15-35 years of age as defined in the African Youth Charter
- 1.6.2 **VTCs:** refer to technical colleges that prepare Namibia's labour force with various artisan skills that provides a foundation in theory combined with experience in the working environment. Training programmes consists of apprenticeships, basic and advanced skills upgrading and bridging courses. (E-Campus, n.d)
- 1.6.3 **Entrepreneurship:** entrepreneurship is a process that causes changes in the economic system through the innovations of individuals who respond to opportunities in the market (Nieman and Nieuwenhuizen, 2009, p 9).

1.6.4 **SMEs:** according to the Ministry of Trade and Industry (MTI), SMEs in Namibia are defined by the number of employees and an annual turnover as indicated in table 1 below.

Table 1.1

MTI's Small Enterprise Definition

Sector	Employment	Turnover (N\$)	Capital Employed (N\$)
Manufacturing	Fewer than 10 persons	1,000,000	500,000
Service	Fewer than 5 persons	250,000	100,000

Source: LaRRI and NEPRU 2002 in Jauch, 2010

According to Jauch (2010), measuring capital investment, as suggested by the above definition is problematic, because of the difficulty of achieving accurate measurement and also because of the impact of inflation.

- 1.6.5 **Artisan:** refers to a worker in a skilled trade, especially one that involves making things by hand (Oxford Dictionaries, 2006).
- 1.6.6 **Entrepreneurial mind set:** refers to a specific state of mind, which orientates human conduct towards entrepreneurial activities and outcomes. Individuals with entrepreneurial mind sets are often drawn to opportunities, innovation and new value creation (Haynie, et al., 2010). Characteristics include the ability to take calculated risks and accept the realities of change and uncertainty.
- 1.6.7 **Entrepreneurial initiatives:** refers to the individual's ability to create entrepreneurial initiative and turn ideas into action. It includes enterprise, innovation and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives (EC, 2006).

1.7 Summary

This chapter provide an overview of VET in Namibia and the problem associated with lack of entrepreneurial initiatives by artisan and skills based graduates, the study objectives and three questions to be addressed by this research study. The extent of the study area was further presented and terminologies contextualised. Chapter two will present current literature in the VET, VTC and entrepreneurship domain.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Chapter one described the rationale for undertaking this research. Chapter two reviews relevant literature on the subject of Vocational Education and Training (VET) by presenting lessons on VET models from the global environment i.e. Germany, Sweden, Tanzania and Nigeria and the Southern Africa Development Community (SADC). A presentation of the state and the nature of VET in Namibia is further provided, before giving a general overview of the meaning of entrepreneurship in the world and Namibia. Furthermore, the chapter explores literature on how entrepreneurship has evolved in higher education, the characteristics and development of SMEs and the value of creating an entrepreneurship culture. Finally the theoretical framework of this study is presented.

2.2 Vocational Education Training Models

It is recognized by policy makers internationally that development of technical skills is a key element for improving economic performance, whilst skills development itself can be accelerated by discourses such as, globalization and knowledge based economy (McGrath, Akoojee, Gewer, Mabizela, Mbele and Roberts, 2006). Similarly, a lack of skills at the individual level is widely seen as a major element in poverty. Without skills to sell on the labour market, or to make a viable living in subsistence or self-employment, individuals are far more likely to be in poverty (McGrath et al, 2006). In Namibia, Vision 2030 aims to achieve a knowledge based economy by improving skills related training. This plan therefore confirms arguments by McGrath et al (2006).

2.2.1 Lessons from Europe

Germany: According to Gibbons-Wood and Lange (2000, p25), the German economy is the third largest economy in the world, and the key to its success is the highly organised labour market. Germany's economy is based on a 'Dual system', which is widely regarded as one of the best national schemes for ensuring the effective school to work transition. Over the years, the system has proven to be effective with businesses, providing employees with the skills and aptitudes they require. However, the system is also criticized for failing to adapt to changes in the labour market and new skill requirements (Gibbons-Wood & Lange, 2000).

In trying to understand the dual system Gibbons-Wood and Lange (2000) highlighted that the dual system has its origins in the corporatism of the German State. The government, industry and unions came together in a highly centralized system of wage bargaining. This co-operation has extended into areas of employment and education through the dual system. As such a trainee attends two learning venues, the workplace and a part-time vocational college. Through this, a student develops the relevant skills through on-the-job training but also through part-time schooling. Furthermore, to ensure broad education, trainees must study languages, politics, economics and a range of other non-job specific areas, thus ensuring that they have an increased understanding of past and contemporary societal and economic developments.

Sweden: According to Gibbons-Wood and Lange (2000) the Swedish education system was originally modelled on the Germany dual system, with separate institutions for theoretical and vocational education. However, over time the Swedish changed from a

dual system to a system, which has integrated the provision of theoretical and vocational knowledge. Around the 1970s, Sweden started to gradually integrate schools for theoretical and vocational upper secondary education and apprenticeships in the private sector companies. The aforementioned approach enabled Sweden to respond to the increasing teenage unemployment.

Similar to employers in Germany, Sweden's firms appear to have found an interest in core skills and competencies because of the economy's general shortage of transferable skills. The study went further to argue that local firms were by far the single most prominent interest groups in a new process, which sought to develop core skills and redevelop vocational education in Sweden. Some of the new programmes introduced to assist with the development and delivery of these skills, includes the industrial programme, the modern apprenticeship system and firm-based schooling. Sweden's modern apprenticeship system combines on- the-job training with school-based general education, which is more or less similar to the Germany dual system (Gibbons-Wood & Lange, 2000).

The study therefore concludes that, the two European case studies have not mastered the task of core skill development to perfection, albeit for different reasons. However, it is interesting to observe that in both countries, vocational training is used to foster core skills and key competencies. It is also worth noting that instead of opting for radical, long-term strategies (e.g. reform of a secondary education system), both Germany and Sweden try to integrate policies and local pilot projects within existing vocational education structures. However, it is not helpful to equate the roles of companies with that of educational institutions as companies are unlikely to be used as

school substitutes unless substantial sums of money can be made available to combine on-the-job learning environments with theoretical instruction. The reliance on large- scale investments also means that small and medium-sized companies will be disadvantaged (Gibbons-Wood & Lange, 2000).

To improve public private partnerships VET levy in Namibia will be used to provide financial and technical assistance to employers, VET providers, employees and other bodies involved in the VET sector (Ikela, 2012).

2.2.2 Lessons from Africa

Nigeria: In a study conducted by Uwameiye and Clark (2003), which focused on the missing link of entrepreneurship, the paper discusses the role of VET in creating small business opportunities and encouraging entrepreneurship. It is based on a survey of the perceptions of vocational students about entrepreneurship, in which a total of 1200 students from 16 technical colleges were surveyed.

The study found that entrepreneurship contributes significantly to the revival of a national economy after it has gone through an economic recession. Entrepreneurship is further perceived to provide practical job skills, occupational knowledge and work experience. Participants of this study further indicated that entrepreneurship enables easy access to employment and the initiative to start own businesses. Contrary, the study found that the public perceive vocational education to be meant for mentally retarded, physically handicapped and socially maladjusted students (Uwameiye & Clark, 2003).

Similar negative perceptions about VTCs are reported in Namibia, where it has been fuelled by the low academic requirements for admission into VET programmes, and

the limited prospects for further education and professional development. In addition, the impression is further created that vocational education aims to keep dropouts from the basic and secondary school system off the streets (Ikela, 2012).

Tanzania: Olomi and Sinyamule (2009) examined the challenges of integrating entrepreneurship education in the vocational training system. The study used a sample of 508 trainees from twelve VTCs in Iringa region, central Tanzania. The majority of the respondents were between the age of 17 and 23. The concentration of the respondents in this age group reflected the nature of VET trainees, most of whom were primary and ordinary secondary school leavers who did not have the opportunity for further studies or secure jobs.

The study found that, the majority of VTC trainees had interest in starting their own businesses, and this was mainly motivated primarily by the need to have total control over their own lives. They also believe that gender or having taken entrepreneurship courses have no significant effects on start-up inclinations. However, it was a perception of many interviewees that chances of getting a job and background of entrepreneurial are positively associated with interest in entrepreneurial intention.

However participants reported limited upward mobility for businesses citing lack of opportunities to consciously develop entrepreneurial values, attitudes and skills during training and that most operators start businesses because of economic necessity rather than driven by self-commitment (Olomi & Sinyamule, 2009).

Based on the findings of the study, Olomi and Sinyamule (2009) recommend that:

a) Assessment of the content, approach and competencies around entrepreneurship training within the VTCs in order to identify areas where improvements are

needed to make the course more effective in developing interest and commitment to start businesses.

b) Policy makers and educators should stop considering self- employment as an option for those who are unable, on account of capacity, to secure salaried jobs. Instead, efforts should be made to develop people with competitive capacities and prepare them to take responsibility for their own lives. It is among these able people that successful entrepreneurs would emerge.

2.2.3 Lessons from SADC Region

The study by McGrath et al. (2006) Explores reforms required to establish the role VET can play in Southern Africa in response to major socioeconomic challenges. The study focused on lessons learnt from Lesotho, Mauritius, Namibia and Swaziland.

McGrath et al. (2006) argued that Southern African countries have shown significant levels of parallel development in their VET systems over the past decade and the process was likely to continue for the foreseeable future. According to McGrath et al. (2006) the VET reform in itself would not transform economies or societies; hence there was a need for essential critique and ensuring that VET elements were adapted in line with national circumstances and visions. One of the greatest challenges for VET in the region is a continuation of its low status in the eyes of many learners, parents, employers and policymakers. With such a low understanding of the importance of VET, adequate funding base, effective information systems, motivated planners and implementers within a broader vocational educational and training sector are essential for its success.

Other challenges hampering the progress in VET transformation in the region is

the high cost associated with the VET systems, especially in the technical subject areas as they rely on costly infrastructure and require few learner-instructors ratios. There has also been a wide criticism for lack of efficiency of the system. The study suggests that the efficiency and effectiveness of VET systems in the region needed to be addressed, but not at the expense of other considerations as it was the tendency in some international policy writings (McGrath *et al.* 2006). Since funding in the region remains highly dependent upon state funding, the region proposed an introduction of levies as a source of funding for VET. In Namibia the purpose of the VET levy is to facilitate and promote vocational education and training in Namibia. All company with an annual payroll of N\$1 million and over will be required to contribute 1% of its annual income towards this levy (Kahiurika, 2014)

2.3 The State and Nature of Vocational Education Training in Namibia

Vocational Education and Training Act No.1 of 2008 provided for the establishment of the Namibia Training Authority (NTA) to regulate the provision of vocational education and training in the country (Republic of Namibia, 2008). NTA supports skills formation that is aligned with the needs of the labour market based on competencies developed that are needed for productive work and increased standards of living. NTA follows two systems of VET, i.e. Competency Based Education and Training (CBET) system. CBET programs are often comprised of modules broken into segments called learning outcomes. These modules are based on the standard set by industry, and assessment is designed to ensure each student has achieved all module outcomes (National Youth Service, 2012, p9).

CBET is a new global trend, which requires training institutions to have the same machinery, equipment and tools used by companies and factories that will employ the trainees after they have completed their programmes. Training providers further need to be matched with Industries to make it work. This system therefore requires institutions to evolve as the market demand. The other system is the National Trade Testing and Certification Centre (NTTC), which is a modular based programme also used in the Republic of South Africa (NTA, 2011).

As a way of mitigating the high cost involved in the implementation of VET in Namibia and to ensure industry participation VET Levy on employers is provided for under Section 35 of the Vocational Education and Training Act No.1 of 2008, which states gives the Minister of Education, with the concurrence of the Minister of Finance and after consulting the NTA Board, the right to impose a levy to be paid by employers to facilitate and encourage VET (Tjihenuna, 2013). According to the NTA Vocational Training Providers list of 2012, Namibia had more than forty-five VET providers of which the majority are concentrated in Windhoek. This concentration could be ascribed to availability of infrastructure, accessible road networks, proximity to other training and tertiary institutions (NTA, 2014).

One of the key focus areas of NDP4 for the period 2013 – 2018 is to increase the percentage of school leavers that meet the entry requirement for VET and access other tertiary institutions. Equally, the government of the Republic of Namibia regards free and universal basic education and VET as the cornerstones needed to provide skilled workers and employees who are needed to drive industrialization (National Planning Commission, 2012a, p49).

The universal aim of vocational training is to provide young people with relevant, practical and marketable knowledge that will enable them to become independent, motivated and productive members of their communities. Although NTA have a training curriculum which includes entrepreneurial subject but not yet implemented, only a few training providers such as KAYEC and NYS have taken the initiative to offer the courses (Matswetu & Suonpää, 2012).

While education in general plays a crucial role in entrepreneurship, graduates who started businesses experience challenges that results in business closure, to return to paid employment before their businesses become fully established (Smith & Beasley, 2011).

2.4 Defining Entrepreneurship

According to the European Commission (EC) Report on Rethinking Education (2012) targeted investment, political commitment and reforms in VET is imperative to boost innovation, competitiveness and reduce unemployment. To ensure that a sustained growth in self-employment is achieved, it is critical that the essential ingredients such as infrastructure and enterprise culture are in place to facilitate this development. Various authors agreed that there is a positive indication between "education and entrepreneurial success" (Mbazira & Oyedokun, 2007, p.296). Countries are also reported to be performing better in terms of youth employment due to well-established apprenticeship systems (EC, 2012).

The term 'Entrepreneur', acquired its meaning in the 17th century with Richard Cantillon being the first to offer a clear concept of entrepreneurial functions and its relation to innovation (Rwigema, Urban & Venter, 2008). According to Niemen et al.

(2009, p 9) entrepreneurship is a "process that causes changes in the economic system through the innovations of individuals who respond to opportunities in the market".

In contrast, other scientists argued that entrepreneurship is a process and not a static phenomenon, which changes as influenced by choice-related. Some of the existing definitions of entrepreneurship relate to the functional role of entrepreneurs are such as coordination, innovation, risk taking, creating and seizing of opportunities and pursue them regardless of resource constraints (Nieman & Nieuwenhuizen, 2009, p.9). Some of the most frequently mentioned functional roles of entrepreneurs are:

- Risk taking which refers to the Knightian entrepreneurs who are willing to take the risk associated with uncertainty.
- Innovativeness refers to the Schumpeterian entrepreneur who is considered to be fast tracking in generation, dissemination and application of innovative ideas.
- Profit making refers to the Cantillion entrepreneur who perceives and seizes profit opportunities (Robert, Hebert & Albert, 2009).

Wennekers and Thurik (2004) therefore concluded that an operational definition of entrepreneurship is the ability and willingness of individuals to perceive and create new economic opportunities and introduce their ideas in the market, in the face of uncertainty and other obstacles. Entrepreneurship can thus be considered to be an essential behavioural characteristic of a person that might exhibit it only during a certain phase of their career or only with regard to certain activities.

2.4.1. Entrepreneurship in Namibia

Namibia is a youthful nation with a total population of over 2.1 million of which the youth population accounts for 29 % (NSA, 2011). The unemployment rate in the country stands at 27.4% in 2012 compared to 51.3 % in 2008, whilst the highest unemployment rate, is in the age group 15-19 years representing 56.3%, followed by ages 20-24 at 48.5% and 25–29 years at 33.6% respectively in 2012 (NSA, 2013). The results clearly indicates that the youth needs in school and out of school education programmes to keep them active in the economy and equipped them with skills which they can use to initiate self-employment activities (NPC, 2012).

The Namibian entrepreneurship environment is based on a free market economy where competition is encouraged. The Gross Domestic Product (GDP) of the country was estimated at N\$12.51 billion in 2011 of which Small and Medium Enterprises (SMEs) contributed 12% (Mbazira & Oyedokun, 2007).

Most new entrepreneurs in Namibia prefer to enter into body care, health care and crèches, restaurants as well as hospitality, tourism and crafts, which are regarded as soft sector businesses. This is because they are relatively easy to enter, risk avoiding and do not require much innovative whilst few Namibians venture into electronics, metal, mechanical, manufacturing and consulting. There is, however, a need to encourage entrepreneurs to venture into the "so-called" risk taking industries such as construction, maintenance and carpentry; textile and leather manufacturing, as well as transport (Mbazira & Oyedokun, 2007).

2.4.2. Evolution of Entrepreneurship in Higher Education

The meaning of graduate entrepreneurship since 1980 received growing recognition as different disciplines explore the importance of higher education in shaping characters, behaviour and mind sets. Nabi and Liñán (2011) and Holden (2008) defines graduate entrepreneurship as the interaction between the graduate as the product of university education and business start-up in terms of an individual's career-orientation and mind set towards self-employment with different emphasis, on starting up or trying to start up a business.

Though African and Asian countries are geared towards mainstream entrepreneurship culture through curriculums of tertiary institutions, "brain drain" due to individuals who migrate to Europe and America in search of a better life and work remains a challenge. This is in contrast to developed countries, which seem to benefit from their graduate entrepreneurs (Nabi & Liñán 2011).

Since the 1980s, universities in the UK were encouraged to provide programmes that would raise students' understanding of entrepreneurship and encourage them to develop their own businesses. Although there was a decline in the 1990s, in 1997 universities redesigned their programmes through innovative approaches. By the year 2000, business and entrepreneurial development had been listed as one of the four strategic goals for British universities. This resulted in the UK Government introducing a funding stream to higher education institutions with the aim of stimulating universities to reach out to business and the communities (Smith & Beasley, 2011). The broad aim of this initiative was to add value to society and the economy through the transfer of knowledge and presented an opportunity for higher education institutions to staff, and

student's entrepreneurial inclination. As a result, graduate entrepreneurship in the UK and Europe has been seen as a vital source of competitiveness and stimulus for economic growth and development of a knowledge-based economy (EC, 2006).

In Namibia, the percentage of graduates who completed a degree or higher education qualification within the past six years, employed in lower skilled jobs had increased from around 26.7 % in 2001, to around 35.9 % in 2012. Higher skill jobs typically require competence through post-compulsory education, whereas lower skill jobs tend to require competence through compulsory education (NSA, 2013). According to Mbazira and Oyedokun (2007, p.296), the entrepreneur's level of education impacts on his/her success in growing the business and creating jobs. A study carried out by Harris (2003) showed that the SMEs sector in Namibia does not attract people with tertiary education since they can enter directly into waged employment.

2.5 The Characteristics of Small and Medium Enterprises

According to Ayyagari, Beck and Demirguc-Kunt (2007) the term SME covers a wide range of definition and its measures varies from one country to another. However, the most common criteria used to determine the size of an enterprise is the number of employees, total net assets, sales and investment level.

SMEs are universally recognized as key contributors in driving economic development. It does not only have a pivotal role to play in economic development, but also in poverty alleviation and job creation. The sector faces a number of constraints, especially in accessing finance, markets, training and technology (Smorfitt, 2010).

A study by Smith & Beasley (2011) suggested that small businesses are significant contributors to the health of the economy. The author further states that enterprise and entrepreneurship were crucial for Small Business Services as the two are a prerequisite for boosting productivity, increase competition, innovation, creating employment and prosperity.

While appreciating that starting up a business is an individual decision one has to make, it should be understood that it requires someone to possess certain entrepreneurial qualities if the business is to become successful or sustainable over a long period. During the start-up phase of a business, the important characteristic an entrepreneur must have includes innovativeness and the desire to act (Littunen, 2000).

2.6 Entrepreneurial Culture

Another prominent character worth discussing is "entrepreneurial culture". According to Morrison, (2000) culture is crucial in any discussion of entrepreneurship or start-up of new business because it determines the attitudes of individuals towards the initiation of entrepreneurship. Terminologies such as risk taking propensity, innovation, tolerance for ambiguity, need for achievement, self-confidence, locus of control and coordination have often been linked to the character of an entrepreneur and inclination to entrepreneurship irrespective of the society or nationality of the individual (Gürol & Atsan, 2006).

The need for the SME sector in economic development is therefore perceived to be crucial as the sector accounts for a significant share of employment and GDP around the world, inclusive of the informal sector. In developed countries, SMEs employ around

67 % of formal sector workers while in developing countries; this number is lower at around 45 % (Smorfitt, 2010, p29). In Namibia SMEs employ about 20% of the countries labour force in 2004 (Quinto, 2011).

Although most African countries witnessed economic growth in the past few decades, real economic growth in the Sub-Saharan region remains below the levels in comparison with other developing regions (Mitra, Abubakar & Sagagi, 2011). According to Nieman and Nieuwenhuizen (2009) a well-functioning small business sector contributes to the economic and social growth of a country. It exerts a positive influence on the economics of many countries, particularly in the fast-changing and increasingly competitive global market

Notwithstanding, numerous obstacles are faced by SMEs in meeting their full potential. While access to finance remains the biggest challenge for most SMEs, several non-financial obstacles exist. These include access to markets, business advisory services and support networks, lack of infrastructure, limited leadership/management skills, and poor marketing/growth strategies and financial management (Nahum & Shejavali, 2013).

According to Briscoe, Dainty and Millett, (2000), in 1979,the UK government committed strongly to the enterprise culture, which triggered an acceleration of self-employment in the construction industry. The period between 1981 and 1990 in the UK, saw a growth in self-employment in the construction industry, whereas self-employment in other industries as a whole declined. Evidence for Self-employment growth was encouraged by entrepreneurial behaviour and the introduction of a new form of taxation collection in the construction industry, named the ``714 Certificate Scheme". The Scheme subjected self-employed workers and subcontracting companies to certain conditions,

which would ensure that no income tax would be deducted at the point of wage or sum payment.

Instead, an annual assessment tax was paid on profits agreed after the deduction of a generous level of expenses. Whereas an operative claiming self-employed status did not qualify for a 714 certificate, they came under the "SC60 Scheme" whereby, income tax at the base rate was deducted from any payment for labour and a final appraisal of tax owing or refundable was made at the end of the tax year. This tax regime, which was unique to the construction sector, was introduced to try to collect more income tax.

2.7 Development of SME Sector in Namibia

The Namibian economy being small has so much to benefit from the SME sector in term of employment creation, eradication of poverty, the provision of services, and development of the new markets, skilled economy and promotion of modern technology of which all these are necessary ingredient of a country's capacity to sustain economic growth.

The Namibia SME sector contributes an estimated 12% towards the Gross Domestic Product (GDP) and employs about 20% of the country's workforce. The sector's contribution to the GDP, was difficult to measure due to the informal nature of businesses and the lack of a national SME database. However, overwhelming evidence shows that there is a significant growth in SME activities in the country due to different and numerous support service provided by the government (Räty, 2010).

Smorfitt (2010) pointed out that SMEs in Namibia are faced with many challenges among others the finances to start-up businesses. In addition to the underlying structural limitations: risk-averse bankers, unsuitable financial products and high bank charges have also been blamed for this state of affairs. Poor people with irregular income and informal business often have no choice but to make use of informal services, which many times are more expensive than formal ones.

A study by Räty (2010) established that a number of entrepreneurs in Namibia believe that illegal trades and illegal activities such as stealing from their employers was a way to access start-up capital. Problems with access to credit are not only confined to Namibia as a study confirms through the research conducted in Poland where small and SMEs also struggle with access to finance. It must be understood that two key moments in a firm's life cycle is considered to be the start-up phase and expansion (Klonowski, 2012). Both these phases require finances of which often incoming enterprises do not have except for ideas, concept or innovation driving the ultimate development of a full business.

2.8 Theoretical Framework

Governments all over the world have stressed the importance of promoting entrepreneurial activities. Whilst appreciating differences in how to foster the enterprising culture, various authors suggest that meta-cognitive model of entrepreneurship is essential to stimulate entrepreneurial mind sets (Haynie, et al., 2010).

The Meta-cognitive Model seeks to understand how individuals identify entrepreneurial opportunities and act upon them. The model based its argument on self-reflection of an individual's own motivations and environments, in the pursuit of desirable entrepreneurial outcomes, the framework argues that entrepreneurs should be able to sense, act and mobilize resources under uncertain conditions. Equally, they should think beyond or reorganize existing knowledge structures, to promote innovative ideas (Haynie et al., 2010).

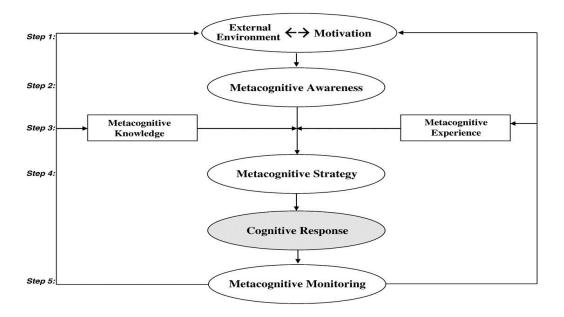


Figure 2.1. A Situated Metacognitive Model of the Entrepreneurial Mind Set Source: Haynie, et al., 2010)

Figure 1, illustrate an ideal process of how entrepreneurs become aware of innovative ideas and utilise their knowledge and experience to generate responses.

Although the five steps represent the causal chain of an entrepreneurial mind set, adaptation may not begin with step one, as the model is representative of a repetitive process.

2.9 Summary

The reviewed literature indicates that investment in VET with curriculums that consciously enhance and encourage entrepreneurship is a prerequisite for artisans and skills graduates to start a business. As reported in the European and African case studies, lack of exposure to educational curricula, on job training, active participation of the private sector coupled with personal attributes and attitudes by an individual positively contributes to a nation's economy. Contrary the literature indicates negative public perceptions that harm the image and quality of VET institutions in Namibia and globally thus arguments calling on custodians of such institutions are advanced to overturn these perceptions.

The literature shows significant correlations between entrepreneurial initiatives and courses taken by students, VET systems, motivation and aspiration to control own time, increased chances of getting a job or starting your own business, positive contributions by VET to employment creation and favourable relationships with industry when combining apprenticeship with school based education. Finally, the literature calls for further investigation to address the over dependence of VET funding on government in Southern Africa, the importance of job specifics and relevant skills as fundamental ingredients to success in business, and the need to consciously inculcate an entrepreneurship culture amongst nationals from an early stage.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter presented discourses in the domain of factors and attributes associated with entrepreneurship and lessons that can be learned from European, African and Southern African countries. The status of VET in Namibia, contributions and support given to actors in the business sector was also presented including the theoretical framework that guides the study.

In this Chapter, the researcher discuss the research methodology applied to conduct the study, inclusion and exclusion criterion, procedures employed to capture and analyse the data and adaptations made from the original proposed methodological framework. Furthermore, the application of ethical considerations and study limitations concludes the chapter.

3.2 Study Approach

The research follows a positivist approach. According to Dash (2005), the positivist paradigm explores social reality by observing and reasoning as a way of understanding human behaviour to obtain information from subjects under study. The literature review is descriptive in nature as secondary sources were used to discuss the factors that influence skills based graduates and artisans to start a business. The second part of the study, which is data collection and analysis, is based on primary data collected using a self-administered structured questionnaire.

3.2.1 Research Method

The researcher used quantitative methods to assess the perceptions of respondents applying the Likert scale technique. Quantitative data was deemed most appropriate as it allow the researcher to statistically analyse data and draw conclusions (Saunders, Lewis & Thornhill, 2007). The method further enables the researcher to provide an objective account of findings and is feasible given the time limitation to complete the study.

Quantitative research methods includes surveys and controlled experiments of which various tools such as, self-administered questionnaires, telephone interviews, mail out questionnaires, online questionnaires can be used to collect data (Aliaga & Gunderson, 2002). According to April (2005) questionnaires have the following advantages:

- Ability to reach a larger number of respondents.
- It can be self-administered.
- It can be completed in the shortest period of time.

The researcher developed a pre-coded structured questionnaire utilising the 5 point Likert scale technique which is an instrument used to capture evaluative data and is the most popular form of attitude scale. The benefit of the scale is its simplicity in interpreting the data and for respondents to answer questionnaires (Schiffman & Kanuk, 2010). For the purpose of this study, the researcher developed four themes encompassing thirteen factors namely:

- (a) Critical aspects to create an enterprise culture.
 - Available platforms

- Attitudes to start a business
- Importance of subjects to start a business
- Source of information
- Access to funding
- (b) Incentives to motivate skills based graduate to start a business.
 - Incentives to start a business
 - Reasons for business success
- (c) Prerequisites to establish apprenticeship programs and VET systems.
 - Type of apprentice programs undergone
 - Business skills gained from apprenticeship program
 - Relevance of skills gained
 - Systems in place to promote business culture
- (d) Recommendations to improve the situation for skills-based trainees and artisans.
 - Mentorship programs
 - Initiation of apprenticeship programs

3.2.2 Population of research and target group

The research population was skills-base graduates and artisans operating SMEs in Windhoek. The SMEs core business areas was amongst others Air-condition and refrigeration, Auto Mechanic, Auto electric, Bricklaying and plastering, Body Vehicle Repair and Panel Beating, Boilermaker, Carpentry and Cabinetmaking, Fitter and Turning, Metal Fabrication and Tailoring.

3.2.3 Sampling and data collection procedure

The study adopted the probability sampling approach that is defined as any method of sampling that utilizes random selection procedures to ensure that any subject within a population has an equal chance of being selected for participation (Trochim, 2006). The following steps were applied to collect the date from 7- 18 October 2013:

- Step 1: The researcher consulted the City of Windhoek for a list of registered SMEs operating in the trades indicated in 3.2.2 at four industrial stalls and one incubation centre in Windhoek, namely Katutura Industrial Stall, Menarovandu Industrial Stall, Khomasdal Industrial Stall, Bokamoso Entrepreneurial Centre and Wanahenda Incubation Centre.
- Step 2: After obtaining the list, the researcher divided the population into homogeneous subgroups.
- Step 3: Allocation was done proportionally.
- Step 4: The researcher telephoned the respondents to set up an appointment for the delivering of the questionnaire.
- Step 5: The researcher employed three young graduates who personally delivered the questionnaires to SMEs owners during the second week of October 2013. The owners were given two weeks to complete the questionnaires, which were collected during the last week of October 2013.

During the data collection process, it was observed that respondents were slow and reluctant to complete the questionnaire citing lack of time to be the main constraint, and in some cases the stalls were unoccupied. The researcher therefore consulted the NDC stalls in Northern industry where skills based graduates and artisans operated to

collect data. This addition yielded better response results and was done to increase the response rate.

Sample size: It was not possible to determine the total population size. However, according to the City of Windhoek SME and incubation centre office (Shikongo, J., personal communication, 28 September 2013) 154 registered SMEs operate from the stalls and incubation centres. As such the sample was set at more than 90% of the total population to cover attrition, errors and incomplete questionnaires. Considering the budget and time limitations the desired sample size was set at 118 of the total population size.

3.2.4 Reliability and validity

Research findings are worthless unless it can be proven that the processes that have been applied were reliable and valid. The research instruments were tested as follows.

Reliability: is the extent to which data collection techniques will yield consistent results or where researchers will reach similar findings, observations or conclusions (Saunders et al., 2007, p.614). Since no similar study was conducted in Namibia, the study draw its themes from the Metacognitive model to safeguard reliability of the findings. The study further benchmarked the 13 identified factors associated with entrepreneurship from a study conducted amongst University students in Turkey using the trait model of entrepreneurship to examine six traits namely need for achievement, locus of control, risk taking propensity, tolerance for ambiguity, innovativeness and self-confidence (Gürol & Atsan, 2006; Haynie, et al., 2010). Furthermore two statisical

analysis packages were used to run frequency tables on the results of the primara data collected using SPSS, whilst the One-Way Anova package was used to confirm the distinction of fixed and random effects of factors based on the significance level of the factor.

Validity: is the extent to which the data collection method accurately measures what was intended (Saunders et al., 2007). The data collection tool was pretested with a similar population which will not form part of the research population to verify the validity of the tool. The questionnaire used was evaluated by two experts in the field of small medium enterprises and complies with the above requirements. Before actual implementation, the questionnaire was pre-tested with two SME operators of different language groups to eliminate ambiguity in the questionnaire, duplication, and minimize errors.

3.2.5 Data analysis

The raw data was captured first in excel before it was exported into SPSS 20 software package and One-Way Anova for running frequency tables and test significance level to the study respectively.

MS EXCEL: since the researcher has limited skills in manipulating statistical packages, the data were first captured in Microsoft excel before it was exported into SPSS.

SPSS: Once the data was exported into the SPSS, the researcher, frequency tables were run for responses to determine the percentage of scores obtained for each question. Graphs and tables were run and are presented in chapter four.

One-Way ANOVA TEST: A Statistician performed this analysis as a way of confirming the results obtained through SPSS. The purpose of this test was to determine the significance level of identified variables at 0.05 to the study. One-Way Anova is a statistical method used to present the calculations for the significance of a particular factor's effect, especially for data in which the influence of several factors is being considered simultaneously. Usually it is useful to distinguish between fixed and random effects. One-Way Anova further divides the variance in an observation into the variance of and the rest of the variance called the within group or error variance (Tabachnick & Fidell, 2001). For the purpose of this study, the researcher applied One-Way Anova to identify which of the thirteen factors assessed did the respondents perceived as critical factors influencing skills based graduates and artisans to start a business.

3.3 Ethical Considerations

To recruit participants of the survey and ensure confidentiality a covering letter was attached to the questionnaire explaining the purpose of study and seeking informed consent.

Informed consent: Participation in the survey was voluntary. Participants were provided with letters informing them about the objectives of the study and right to participate.

Privacy and Confidentiality: To ensure confidentiality of participants, no name or personal identification details were requested. A separate list was developed where respondents indicated the stall number and contact details to follow-up the completion of the questionnaires. Upon collection of completed questionnaire, the researcher numbered

the questionnaire for capturing.

Storage and disposal of Data: All study data and materials were kept confidential and securely until the completion of the study, where after anonymous datasets was produced and saved whilst questionnaires were shredded.

3.4 Limitation of a the Study

Completion of questionnaire: Access to skills based graduates and artisan entrepreneurs for data collection was challenging, influencing the response rate of the study. In most cases the stalls were unoccupied for the duration of the study, or in some cases the owner of the stall was not available to complete the questionnaire. Some operators cited lack of interest and time to complete questionnaire or to be interviewed. As such operators from the NDC industrial stall in the Northern Industry of Windhoek offering skills related services or products and were willing to participate were included in the survey.

Time limitation: Due to the time frame of completing the thesis, the researcher had to be conscious of how much time can be dedicated for data collection. As a result, it could be observed that the two weeks were not adequate to make continuous follow up with operators to complete questionnaire.

Representation: The study was limited to SMEs operating from the City of Windhoek and NDC stall and incubation centres only. As such, the results should not be generalised to represent the views of all businesses owned by artisans and skill based graduates.

Potential bias: Since the researcher is familiar with the incubation centres of the City of Windhoek, there might be a bias towards targeting the two locations only, excluding other stalls and centres not managed by NDC and City of Windhoek.

3.5 Summary

This Chapter explained how the research tools were used and study carried out including data analysis. It further explained why qualitative or the mixed research methods were not used. In Chapter four, the results of the study will be presented as it was produced, using SPSS IBM 20 software.

CHAPTER 4: DATA PRESENTATION AND RESULTS

4.1 Introduction

Research methods applied for this research was quantitative, structured pre-coded questionnaire, of which the research population were SME operators from the City of Windhoek and NDC stalls and incubation Centres. The previous chapter further explained the intended sample size, data collection process, reliability and validity of data and how the collected data was analysed. This Chapter present the results of the study based on four themes aligned to the questionnaire including an overview of the demographic details of the respondents. It should be noted that the researcher does not offer any discussions, analysis or assumptions in this chapter but are presented in Chapters five and six respectively.

4.2 Response Rate

Though 118 questionnaires were distributed, only 60 completed questionnaires were collected, representing a 50.8% response rate. The attrition rate was mainly attributed by lack of time to complete questionnaire whilst some respondents cited lack of interest since no initiatives results from participating in surveys.

4.3 Presentation of Results

Excluding the demographic details the questionnaire of the survey was divided in four themes namely:

- Critical aspects to create an enterprise culture in Namibia
- Incentives to motivate skills based graduates and artisans to start a business
- Prerequisites to establish apprenticeship programs and VET systems

important including not at all easy, not easy, not sure, easy and very easy.

• Recommendations to improve the situation for skills-based trainees and artisans. The results of the survey is presented based on the themes disaggregated by strongly disagree, disagree, not sure, agree and strongly agree. Similarly some tables and graphs are disaggregated by not at all important, not important, not sure, important and very

4.3.1. Demographic details

The survey was limited to persons 18 years and above in accordance to the age of majority and capacity to act.

Table 4.2

Age of Respondents

inge of respondents	Frequency	Percent
18 and 25 years of age	4	6.7
26 and 30 years of age	8	13.3
31 and 35 years of age	9	15.0
36 and 40 years of age	11	18.3
41 and 45 years of age	8	13.3
46 and 50 years of age	8	13.3
50+ years of age	12	20.0
Total	60	100.0

Source: Survey Data

Table 4.2 shows that 20% of the respondents are at the age range of above 50 years old, followed by the age range of between 36 and 40 years of age which is 18.3%, whilst the age range 21-25 years represents 15% of the respondents. The other three age groups of 26-30 years, 41-45 years and 46-50 years represent 13.3% respectively whilst 6.7% of the respondents represent the age range of 18-25 years.

Table 4.3
Sex of Respondents

Gender		
	Frequency	Percent
Male	46	76.7
Female	14	23.3
Total	60	100.0

Source: Survey Data

Table 4.3 shows that out of the total respondents, 76.7% were male whilst 23.3% were female. The response reflected indicates that there are more males operating from the participating City of Windhoek and NDC stalls and incubation centre than females.

Table 4.4
VET Institution or Centre Attended

Institution attended		
	Frequency	Percent
Windhoek Vocational Training Centre	11	18.3
Polytechnic	4	6.7
National Youth Service	3	5.0
Zambezi Vocational Training Centre	3	5.0
Okakarara Vocational Training Centre	8	13.3
Katutura Youth Enterprise Centre	6	10.0
Rundu Vocational Training Centre	5	8.3
Valombola Vocational Training Centre	2	3.3
Did not attend any VTC	2	3.3
Other not listed institutions	16	26.7
Total	60	100.0

Source: Survey Data

The results depicted in Table 4.4 shows that 18.3% of the respondents attended training at Windhoek Vocational Training Centre. This followed by 13.3% of the respondents who trained at Okakarara Vocational Training Centre. 10% of the other respondents trained at Katutura Youth Enterprise Centre. The other respondents trained at the other training Centre.

Table 4.5 **Qualification's Attained**

Highest qualification			
	Frequency	Percent	
B-degree	8	13.3	
Diploma	5	8.3	
National Higher Certificate	3	5.0	
National Certificate	5	8.3	
N3 to N6	7	11.7	
Any other	32	53.3	
Total	60	100.0	

Source: Survey Data

The results in Table 4.5 indicate that 53.3% of respondents have qualifications lower than an N3 certificate. However, 13.3% of the respondents showed that they managed to attain a B-degree, followed by 11.7% who attained N3 to N6 qualifications. The other 8.3% attained diplomas and national certificates respectively. Only 5% of the respondents attained national higher certificate qualifications.

Table 4.6 Business Owned

Ownership type			
	Frequency	Percent	
Sole proprietorship	45	75.0	
Partnership	6	10.0	
Close corporation	8	13.3	
Company Section 21	1	1.7	
Total	60	100.0	

Source: Survey Data

Table 4.6 above showed that 75% of the respondents are sole proprietors. This is followed by 13.3% of the respondents who own close corporations. The other 10% of the respondents are in partnerships, 1.7% of the respondents fall under section 21 company ownership.

Table 4.7
Number of Employees Employed

	Number of employees	
	Frequency	Percent
1 to 5	38	63.3
6 to 10	15	25.0
11 to 20	2	3.3
21 and above	5	8.3
Total	60	100.0

Source: Survey Data

Table 4.7 shows that 63.3% of the respondents employed between 1 to 5 employees in their businesses. This is followed by 25% of the respondents who employ between 6 and 10 employees in their businesses whilst 8.3% of the respondents' employs 21 and above employees in their businesses. The remaining 3.3% respondents employ between, 11 to 20 employees in their businesses.

Table 4.8

Type of Core Business Operation

Core business operation				
	Frequency	Percent		
Air-conditioning and refrigeration	2	3.3		
Auto mechanic	10	16.7		
Auto electric	2	3.3		
Moto vehicle body repair	4	6.7		
Boiler maker	1	1.7		
Hair dressing and cosmetology	1	1.7		
Joinery and cabinet making	8	13.3		
Metal fabrication	6	10.0		
Tailoring	5	8.3		
Any other	21	35.0		
Total	60	100.0		

Source: Survey Data

Table 4.8 shows that 16.7% of the respondents` core business operation is that of auto mechanics. This is followed by 13.3% of the respondents who are in joinery and cabinet making. The other 10% are in the core business of metal fabrication. However, 35% of the respondents are in the other trade, which is not highlighted in this study. 6.7% of the respondents are in motor vehicle body repair and the remaining 3.3% are in air-conditioning and refrigeration and auto electric trade respectively.

4.3.2. Critical aspects to create an enterprise culture

This theme present factors which are imperative to create an enterprise culture as recommended by various authors (McGarth et al., 2006; Mbazira & Oyedokun, 2007; Haynie et al., 2010). Respondents were asked to indicate the various platforms that are available to inform business ventures and opportunities in Windhoek, Namibia.

Table 4.9
Business Ventures Platform

Platforms available to know of business ventures			
	Frequency	Percent	
Namibia Chambers of Commerce and industry	5	8.3	
(NCCI)			
City of Windhoek	27	45.0	
Ministry of Trade and Industry	9	15.0	
Team Namibia	2	3.3	
Any other	6	10.0	
None	11	18.3	
Total	60	100.0	

Source: Survey Data

Table 4.9 shows that 45% of the respondents' access information from the City of Windhoek information sharing gatherings, 15% indicated that the information is available at the MTI, whilst 8.3% of the respondents said information could be obtained from NCCI offices. However, 18.3% of the respondents believed that there is no such information available anywhere in Windhoek whilst 10% of the respondents said that the information could be obtained through any other source that was not mentioned in the research instrument.

Table 4.10
Utilisation of Available Platforms

Used platforms in past twelve months				
	Frequency Percent			
Yes	46	76.7		
No	13	21.7		
None	1	1.7		
Total	60	100.0		

Source: Survey Data

Table 4.10 above shows that 76.7% of the respondents used the available platforms that provide information on business ventures opportunities in the last twelve

months. The remaining 21.7% of the respondents indicated that they did not make use of the available platforms, whilst 1.7% did not respond

Respondents were asked to rate which of the listed items they regard to be necessary for entrepreneurs to start a business based on the Likert scale representing strongly disagree, disagree, not sure, agree and strongly agree.

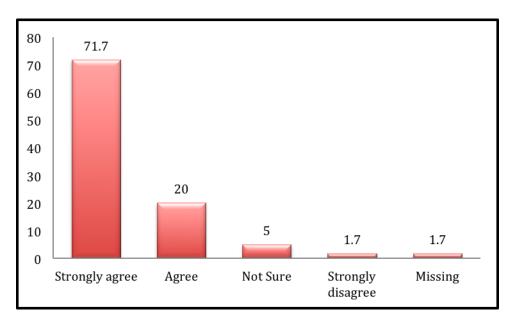


Figure 4.2. Attitudes Necessary to Start-up a Business Ventures (N=60) Source: Survey Data

Figure 4.2 shows that 71.7% of the respondents strongly agreed that attributes like innovation, risk taking, creativity and maximization of profits plays an important role in motivating skilled graduates and artisans to start up their own businesses. This was supported by 20% of the respondents who agreed whilst 5% of the respondents were not sure whether the attributes contributed to starting up of businesses.

In understanding which subjects respondents who trained at various institutions considered to be most relevant when starting up a business, they were asked to rate

numeracy, communication, written, business studies, accounting, entrepreneurship and small business management related subjects.

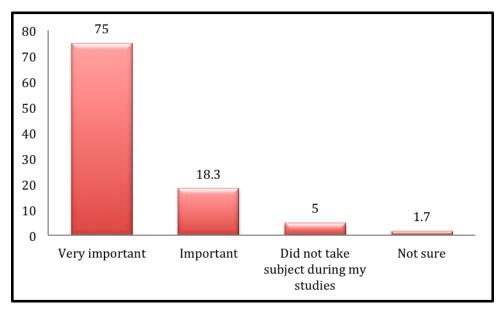


Figure 4.3. Relevance of Subjects in Starting Up a Business (N= 60) Source: Survey Data

Figure 4.3 shows that 75% (n=45) of the respondents regard the listed subjects taught in school to be very important in starting up a business venture, supported by 18.3% (n=11) who also believed that the subjects are important whilst the remainder of the respondents representing 5% (n=3) did not take any of the listed subjects. Only 1.7% (1) respondent was not sure that subjects taught are relevant for making a start-up decision.

Respondents were further asked to reflect on the useful sources of information in knowing about available contracts or tender opportunities.

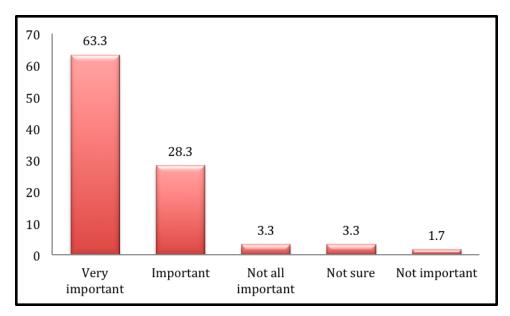


Figure 4.4 Sources of Information (N=60)

Source: Survey Data

The results in Figure 4.4 indicates that 63.3% (n=38) of the respondents believed that the sources of information that includes the print media, Facebook, word of mouth, short message system (sms), supplier/contractors' database, television and radio plays an important role in bringing information about contract and tender opportunities. This opinion was supported by 28.3% (n=17) of the respondents whilst if the responses on not important at all, not sure and not important are combined it represents 8.3% (n=5).

Access to easy funding is one of the critical variables, which were identified in this research. Respondents were also asked to indicate how easy it is to access funding from the listed sources namely: Loan from commercial banks, Development Bank of Namibia, MTI, Ministry of Youth National Service Sport and Culture's credit scheme, borrowing from friends, pension and borrowing from family.

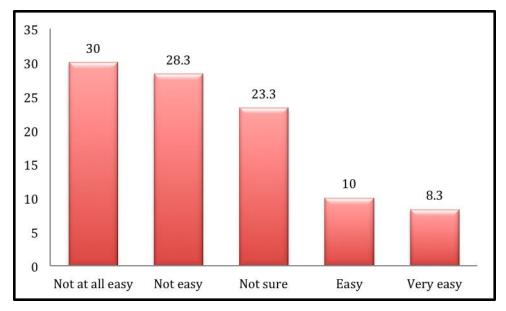


Figure 4.5 Easiness to Access Funding (N= 60)

Source: Survey Data

Figure 4.5 shows that 30% (n=18) of the respondents found it was not at all easy to access funding for starting a new business. The position was supported by 28.3% (n=17) of the respondents' who agreed that it is not easy, 23.3% (n=14) of the respondents were not sure whether access to funding was easy. However, 10% (n=6) of the respondents argued that it is easy to access funding for starting a new business whilst 8.3% (n=5) respondents argued it was very easy.

4.3.3. Incentives to motivate skills based graduates and artisans to start a business

Respondents were asked to reflect on incentives which will motivate skills based graduates and artisans to start a business by indicating how important the listed incentives are: funding from commercial or government sources, physical location, own determination, availability of raw material, soft loans (with certain exemption) by government, affordable tax levies by the government, building to operate from, workers,

trading license, bribing someone for favours, must know someone who gives finances, customer base, advertisement, registration with MTI.

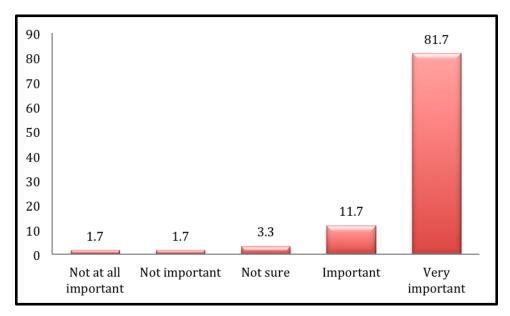


Figure 4.6 Importance of Incentives to Start a Business (N= 60)

Source: Survey Data

Figure 4.6 reveals that 81.7% (n=49) of the respondents agreed that it is very important to provide incentives so as to promote and motivate skills based graduates and artisans to start up a business.. The position was supported by 11.7% (n=7) of the respondents who said it was important, whilst 3.3% (n=2) of the respondents were not important. The remaining 1.7% (n=1) respondents respectively registered disagreement and believed that incentives played no role in starting a business.

In determining the reasons ascribed to the success of the business, respondents were asked to rate if strong financial support, effective management and governance structure, market domination, product leadership, making the right decisions at crucial moments, innovation, stakeholder support, creation of shared value and flexibility by employees make a contribution.

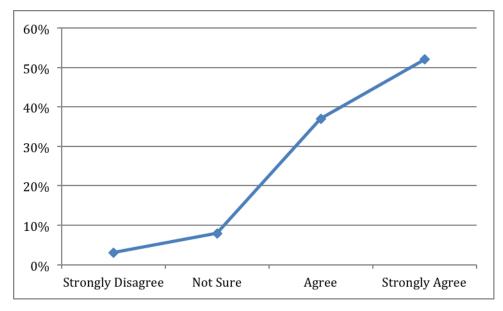


Figure 4.7 Reason for Business Success (N = 60)

Source: Survey Data

The results in Figure 4.7 shows that 51.7% (n=31) of the respondents indicated that it is very important to make right decisions at crucial moments and exercise flexibility to take advantage of new opportunities as they come. This was supported by 36.7% (n=22) of the respondents who observed that effective management and good governance structures together with stakeholder support play a crucial role in making the business to succeed. They further agreed that innovation and stakeholder participation, like allowing the business community partnerships that brings business and the community together to create shared values increases business success. The results showed that business success rests entirely on a range of variables. Furthermore 8.3% (n=5) of the respondents were not sure, whilst 3, 3% (n=2) of the respondents strongly disagreed with the statement.

4.3.4. Prerequisites to establish apprenticeship programs and VET systems

Respondents were asked to indicate the type of apprenticeship programs they were exposed to during their studies. The results are presented according to the type of apprenticeship programme.

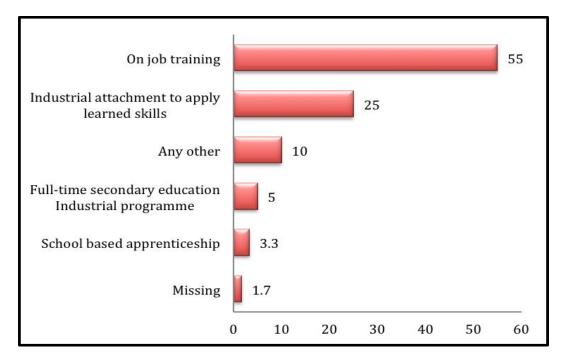


Figure 4.8 Type of Apprenticeship Programme Undertaken (N= 60) Source: Survey Data

Responses derived from Figure 4.8 shows that 55% (n=33) of the respondents did on-job training, 25% (n=15) of the respondents did their apprenticeship training through industrial attachment which involves the application of learned skills in an organization related to the trainee's trade. 3,3% (n=2) of the respondents went through school based apprenticeship training. The other 5% (n=3) did their apprenticeship training through industrial programme where instruction is delivered in full-time secondary education with the assistance of business and industry instructors, whilst 10% (n=6) of the respondents did the apprenticeship training through other avenues.

Respondents were further asked to indicate what business skills they gained from the apprentice program participated in to perform their current work.

Table 4.11

Business Skills Gained from Apprenticeship Training

Business skills gained			
	Frequency	Percent	
Marketing your product	24	40	
Customer services	14	23.3	
Developing a business plan	5	8.3	
Time management	5	8.3	
Selling your skills to the consumer	4	6.7	
Networking	4	6.7	
Bookkeeping	1	1.7	
Cash flow management	1	1.7	
Skills gained relevant to job market	1	1.7	
Any other	1	1.7	
Total	60	100.0	

Source: Survey Data

Table 4.11 shows that 40% of the respondents indicated that they gained marketing skills, 23.3% gained customer service skills through apprenticeship training. In addition, 8.3% of the respondents gained skills in developing a business plan and time management respectively; whilst 6.7% respondents respectively indicated that they gained networking and bookkeeping experience.

In order to determine if the skills gained during training was relevant to the job market, respondents were asked to rate seven statements.

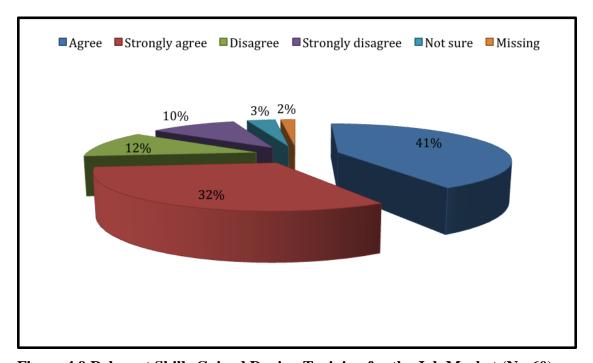


Figure 4.9 Relevant Skills Gained During Training for the Job Market (N= 60) Source: Survey Data

Figure 4.9 show that 41.7% (n=25) of the respondents strongly agreed that they gained some relevant skills during training for the job market and that they are now self-sufficient. The group was supported by 31.7% (n=19) who also felt that they were empowered by the training and that they are able to immediately practice without being told what to do. However, 11.7% (n=7) of the respondents disagreed and believed that they did not gain any substantial skills during training. The sentiments were echoed by 10% (n=6) of the respondents who totally disagreed that institutional training provided them with any skills at all, whilst 3.3% (n=2) of the respondents remained neutral.

The respondents were also asked what systems should be in place to facilitate an entrepreneurial culture among vocational trainees.

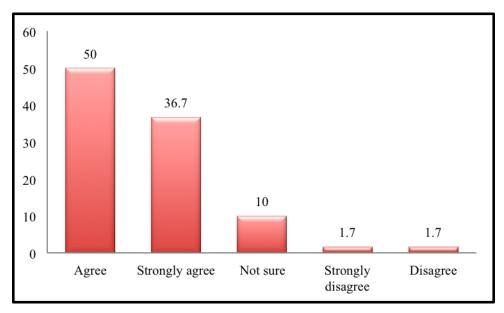


Figure 4.10 Appropriate Systems to Facilitate Entrepreneurial Culture (N= 60) Source: Survey Data

Figure 4.10 shows that 50% (n=30) of the respondents agreed that increasing VET funding by government, contribution by employers through training levy and cultivating a business mind whilst in training are essential systems that needs to be put in place to facilitate an entrepreneurial culture among vocational trainees. The sentiments were supported by 36.7% (n=22) who strongly agreed that trainees should start businesses from year one while in training and that an Electronic Hub (E-Hub) incubation center to train and nurture trainees aspiring to start a small business be introduced. The results reflected in figure 4.9 above also show that 10% (n=6) of the respondents were not sure about their opinion, whilst 1.7% (n=1) strongly disagreed and disagreed respectively with the statements.

4.3.5. Recommendations to improve the situation for skills-based trainees and artisans

The study finally requested respondents to recommend how the situations of skills based trainees and artisans should be improved by indicating what type of mentorship programmes should be in place.

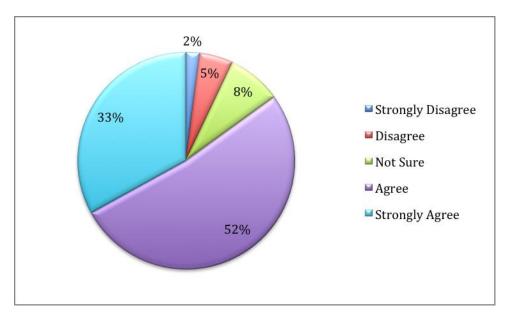


Figure 4.11 Mentorship Programmes (N= 60)

Source: Survey Data

Figure 4.11 shows that 51.7% (n=31) of the respondents agreed that school-based apprenticeship or traineeship should be made part of high school studies and be introduced in grade 9 to 12. Respondents also believed that mentorship programmes should be introduced at incubation Centres where small businesses are assisted by experts to run their business for a certain period. Similar sentiments were strongly supported by 33.3% (n=20) of the respondents who also believed that mentorship programmes be put in place for graduates at industrial stalls where graduates are left to operate a small business on their own after completion of training, 8.3% (n=5) expressed no opinion whilst 5% (n=3) and 1.7% (n=1) disagreed and strongly disagreed respectively.

Respondents were finally asked to recommend at which levels apprenticeship programs should be initiated.

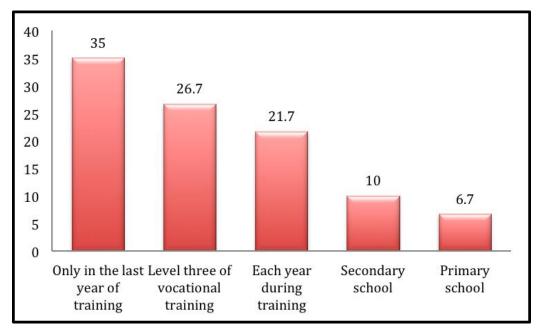


Figure 4.12 Apprenticeship Levels (N= 60)

Source: Survey Data

Figure 4.12 shows that 35% (n=21) of the respondents strongly agreed that apprenticeship should be introduced in the last year of training, 26.7% (n=16) agreed that it should be introduced at level three of vocational training whilst 21.7% (n=13) of the respondents believed that the programme should be an on-going activity introduced every year during training. Furthermore, 10% (n=6) of the respondents agreed that the programme should be introduced at secondary school level whilst 6.7% (n=4) respondents believed that the programme should be introduced at primary level.

4.4 Summary

This chapter presented the results of the empirical data. The results indicate that the majority of respondents are in the age range 50+ years and above whilst the least are in the range 18 and 25 years of age. Male respondents compared to females were in the majority and have graduated from VTCs across the country of which the highest graduates come from the WVTC. Most of the respondents have a qualification lower than an N3 Certificate whilst the least qualification is a National Higher Certificate.

Chapter five presents an analysis and discussion of the critical factors as deducted with the One-Way Anova test.

CHAPTER 5: ANALYSIS AND DISCUSSION OF FINDINGS

5.1 Introduction

The results in the previous chapter presented the primary data collected and frequency tables and figures. The objective of the study was to establish the respondents' views on the factors influencing skills based graduates and artisans to start a business.

The study was conducted among artisans and skills based graduates who are SME owners and are 18 years old and above, residing in Windhoek. The researcher applied a simple random sampling technique and settled for a sample size of 118 respondents.

The sample size was drawn from one incubation centre and five industrial stalls managed by the City of Windhoek and NDC located in Khomasdal and Katutura residential areas, including one industrial complex located in the Northern Industry. A response rate of about 51% was achieved.

The research instrument was a quantitative pre-coded structured questionnaire with mostly a five-point Likert scale ratings and comprised five parts. Respondents were asked to indicate their degree of agreement or disagreement with each given statement. The first part addressed critical aspects associated with creating an enterprise culture in Namibia and included variables such as sharing and learning platforms, attitudes entrepreneurs should possess, importance of subjects, usefulness of sources of information and how easy it is to accesses funding. The second part addressed incentives to motivate skills based graduates and artisans to start a business and included variables to measure the importance of incentive for an individual to start a business and the reasons for business success in Namibia. The third part of the questionnaire addressed the

prerequisites required to establish apprenticeship programs and vocational education training (VET) systems and included variables that measure the type of apprenticeship programs respondents experienced during their studies; how relevant the skills respondents gained during training were to the job market and what systems should be in place to facilitate an entrepreneurial culture among vocational trainees. The fourth part addressed the proposed recommendations to improve the situation of skills based graduates and artisans and was composed of variables on mentorship programmes that should be in place for graduates and initiation level of apprenticeship. The last part included demographic variables comprising nine items.

This study used the Metacognitive Model of the Entrepreneurial Mind Set as a theoretical framework to formulate three research questions that will measure the objective of the study namely:

- (a) What are the critical factors to create an enterprise culture in Namibia?
- (b) What incentives will motivate individuals to start businesses?
- (c) What are the prerequisites to establish apprenticeship programs and VET systems that evolve with the Namibian labour market requirements?

This chapter discuss the results of the findings based on the most critical factors at 0.05 significance level. Four out of thirteen factors were significant to the study as determined according to the One-Way Anova test between and within the respondents of the survey.

5.2 Discussion

The study results shows that the majority of respondents were male (76.7%) compared to females (23.3%) of which 96.7% have attended VTCs and other none listed institutions. In addition 53.3% of respondents reported to have qualifications lower than an N3 certificate.

The One-Way Anova Statistical test verified which of the thirteen factors have a direct influence on skills based graduates and artisans to start a business. The result of the test is presented in Table 4.12 from the lowest significant factor to the highest according to the thirteen factors assessed between and within groups.

The table shows how critical or significance of individual factor is to the study as determine at 0.05. Meaning that, if a factor scores below 0.05 it can be concluded that the factor is critical and has a direct influence on skill based graduates and artisans to start a business, whilst factors with a score above 0.05 can be relevant but is not critical to the study, thus it has no influence on the study group.

Table 5.12

Results of One Way Anova Test of Significant Level of Factors (N=60)

	etors associated with entrepreneurship	Mean Square	F	Sig.
1.	Importance of subjects to start business	2.123	3.17	0.004
2.	Easy access to funding	0.318	2.597	0.015
3.	Reasons for business success	1.595	2.419	0.023
4.	Relevance of skills gained	1.595	2.419	0.023
5.	Useful sources of contract information	1.471	2.061	0.051
6.	Mentorship programme in place	1.368	2.066	0.051
7.	Levels to start apprenticeship	1.714	1.294	0.264
8.	Important incentives to start business	0.709	1.256	0.284
9.	Systems to facilitate entrepreneurial	1.87	1.206	0.313
10.	Business skills gained	1.719	1.121	0.366
11.	Apprenticeship programs done	2.629	1.04	0.422
12.	Attitudes Necessary to Start-up a Business Ventures	0.557	0.973	0.473
13.	Platforms available for business ventures	0.977	0.302	0.971

Source: Survey Data

Table 5.12 shows that the factors which respondents perceive to directly influence skills based graduates and artisans to start a business are importance of subjects to start a business representing a significance level (sig.) of 0.004, easy to access funding 0.015 sig., whilst reasons for business success and relevance of skills gained scored 0.023 sig. The remaining nine factors scored above 0.051 sig. concluding that they can be relevant but have no significance to the study between and within the group.

5.2.1. Importance of subjects taken to start a business:

Conclusions from the results shows that subjects such as entrepreneurship, communication skills, written skills and numeracy are very important for skills based graduates and artisans to start a business. One of the subject requirements of VTCs in Namibia is science related subjects which automatically translates in the ability of students to manipulate figures and being passionate about psychomotor activities.

This perception could be further attributed to the fact that the skills are essential when running a business. The findings of the study is supported by a study indicating that taking entrepreneurship subjects during the formative school years facilitates easy access to employment and the initiative to start own businesses (Uwameiye & Clark, 2003). The importance of subjects taken is however rejected in a study conducted by Olomi and Sinyamule (2009) but that entrepreneurship courses have no significant effects on startup inclinations.

5.2.2. Easy access to funding

Loans from Commercial banks, the Development Bank of Namibia (DBN), MTI and the Ministry of Youth National Service Sport and Culture's credit scheme was reported to be a barrier for skills based graduates and artisans to start up a business. Instead respondents found it easier to borrow money from friends and family to start up a business in Namibia. This finding is not much different with a study conducted by Räty (2010), in which a quarter of Namibian SME owners interviewed reported that commercial institutions was most difficult to award loans, and therefore opted to access funds through other means including engaging in illegal activities. It can be concluded

that the strict requirements by commercial banks and life cycle of the business are major negative contributing factors (Klonowski, 2012).

The dependence from friends could further indicate that micro lending operators are becoming more prominent and borders on social entrepreneurship principles, where the aim is not to make a profit, but to bring about social change in a particular person or community members lives. The purpose of social entrepreneurship according to Martin, and Osberg (2007, p36) is to effect large-scale value which benefits an "underserved, neglected, or highly disadvantaged population that lacks the financial means or political clout to achieve the transformative benefit on its own". In this regard, it is worth investigating what the terms of lending from friends are and how it is set-up.

5.2.3. Reasons for business success

This study found that more than half of the respondents indicated that attributes such as making the right decision at crucial moments, exercising flexibility to take advantage of new opportunities and seeking innovative ideas are attributes that skills based graduates and artisans need to possess in order for a business to succeed.

The results correlates well with a study carried out by Gürol and Atsan (2006) regarding traits displaying entrepreneurial inclination which confirmed that risk taking propensity, tolerance for ambiguity, locus of control and need for achievement are required. The study further confirmed that 53% of the respondents with entrepreneurial family backgrounds displayed a higher inclination. The absence of this variable in the empirical evidence could have added value to the reasons why respondents perceived the listed traits to be crucial for business success.

5.2.4. Relevance of skills gained

Findings of this study suggest that the skills respondents during training were relevant to the job market since they could immediately practice it with minimal guidance. However about 22% of the respondents did not think they gained relevant skills for the job market. The same argument amongst Swedish firms resulted in the commissioning of a study to examine the relevance of core skills and competencies due to shortage of transferable skills experienced at the time (Gibbons-Wood & Lange, 2000).

On the contrary, various authors argue that there is a positive indication between "education and entrepreneurial success as trainees gain practical job skills, occupational knowledge and work experience enabling them to easily access employment and the initiative to start own businesses (Mbazira & Oyedokun, 2007; Uwameiye & Clark, 2003).

5.3 Summary

Discussions based on the four critical factors perceived to be associated with the ability of skills based graduates and artisans to start a business in Namibia, advance arguments that personal attributes, subjects enabling trainees to develop relevant market related skills and initiation of apprentices are essential. The findings further suggest the need for continuous industry consultation to provide employees with the skills and aptitudes they require, taking in consideration adaptation to changes in the labour market and new skills requirements. The concluding chapter highlights the major findings of the survey, conclusions and recommendations for key partners in VET.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The purpose of the research was to explore the key drives enabling skills based graduates and artisans to take up entrepreneurial initiatives in Namibia. The objective of the research was therefore:

To establish factors that influence skills based graduates and artisans to start a business.

Three specific research questions were formulated to answer the objective namely:

- a) What are the critical factors to create an enterprise culture in Namibia?
- b) What incentives will motivate individuals to start businesses?
- c) What are the prerequisites to establish apprenticeship programs and VET systems that evolve with the Namibian labour market requirements?

This chapter is organised to answer the abovementioned questions, as a result, the summary of key findings are presented according to the five parts of the research instrument, the conclusions of the findings are aligned to the three research questions, whilst the recommendations address key partners and present directions for future research.

6.2 Summary of Key Findings

Part 1: Characteristics of respondents

- The age group 50 years and above were more active in entrepreneurial activities in comparison to the age range 36 to 40 years (18.3 %) and 31 to 35 years (15%). The least active age group was 18 to 25 years (6.7%).
- The majority of respondents (76.7%) were male and 23.3% were female.
- The majority of respondents (18.3%) attended training at WVTC followed by respondents (13.3%) who trained at Okakarara Vocational Training Centre, whilst the least active are respondents who graduated from Valombola Vocational Training Centre and those who did not attend any other institution (3.3%).
- 53.3% of respondents have qualifications lower than an N3 certificates, followed by respondents with a B-degree (13.3%) with least respondents (5%) having national higher certificate qualifications.
- The majority of respondents (63.3%) employ between 1 to 5 employees, followed by respondents' employing 21 employees and above (25%) whilst the least respondents (3.3%) employ between, 11 to 20 employees in their businesses.
- The majority of respondents (16.7%) core business of operation is auto mechanics whilst the least (1.7%) are Boiler maker and Hair dressing and cosmetology.

Part 2: Critical Aspects

- The majority of the respondents (45%) access information from the City of Windhoek, followed by the MTI (15%), whilst NCCI offices was the least used as a sharing and learning platform (8.3% respondents). On the contrary 28.3% of the respondents believed that there are no such platforms available or that information can be obtained through other sources.
- Over a two third of the respondents (76.7%) have indeed used the listed platforms that provide information on business ventures opportunities in the last twelve months compared to 21.7% of respondents.
- The majority of respondents (71.7%) strongly agreed that attributes like innovation, risk taking, creativity and maximization of profits plays an important role in motivating skilled graduates and artisans to start up their own businesses whilst 5% of the respondents were not sure whether the attributes contributed to starting up of businesses.
- The majority of respondents (75%) clearly associate relevance of subjects with the decision to start up a business, though 6.7% did not see the relevance.
- Above 90% of the respondents believed that sources of information which encompass the print media, Facebook, word of mouth, SMS, supplier/contractors' database, television and radio plays an important role in providing information on contract and tender opportunities compared to 8.3% respondents.
- Over half of the of the respondents (58.3%) argued that it was not at all easy to access funding for starting a new business compared to 18.3% (n=11) of the respondents who indicated it was easy to access funding.

Part 3: Incentives

- Over a three quarters (93.4%) of the respondents agreed that it is very important to provide incentives so as to promote and motivate skills based graduates and artisans to start up a business compared to only 3.7% (n=2) respondents believed that incentives played no role in starting a business.
- The majority of the respondents (88.4%) were in agreement about the importance of making right decisions at crucial moments, allowing flexibility to take advantage of new opportunities as they come, effective management and good governance structures together with stakeholder support to play a crucial role in making a business succeed. They further agreed that innovation and stakeholder participation, like allowing business and community partnerships together to create shared values increases business success.

Part 4: Prerequisite

- Over half of the respondents (55%) were exposed to on-job training, followed by industrial attachment apprenticeship training (25%). The least type of apprenticeship programme undertaken was school based apprenticeship training (3.3%).
- Over a third of respondents (40%) gained cash flow management skills, followed by customer service skills (23.3%) during apprenticeship training programs.
- The majority of the respondents (73.4%) agreed that they gained some relevant skills during institutional training for the job market and that they are now self-sufficient and able to immediately practice without being told what to do.

However, about 21.7% of the respondents disagreed and believed that they did not gain any substantial skills for the job market.

• 86,7% respondents strongly agreed or agreed that increasing VET funding by government, contribution by employers through training levy and cultivating a business mind set whilst in training, starting a business from year one while in training and setting up an Electronic Hub (E-Hub) incubation Centre to train and nurture trainees should be introduced.

Part 5: Recommended actions

- The majority of the respondents (85%) strongly agreed or agreed that school-based apprenticeship should be made part of high school studies and be introduced in grade 9 to 12, that mentorship programmes should be introduced at incubation Centres where small businesses are assisted by experts to run their business for a certain period or where graduates are left to operate a small business on their own after completion of training.
- The majority of the respondents (61.7%) strongly agreed or agreed that apprenticeship should be introduced at the last year of training or at level three of vocational training and 21.7% of the respondent's belief that the programme should be an on-going activity, whilst 6.7% respondents indicated that the programme should be introduced at primary level.

6.3 Conclusions

6.3.1. What are the critical factors to create an enterprise culture in Namibia?

- Based on the active age group in entrepreneurial activities it can be concluded that
 expertise and financial or material resources are critical factors in the younger age
 group, since the majority of respondents had to work first before gathering
 resources and developing expertise to start and manage a business.
- Since the respondents trained at various training centres and institutions (10) with the highest being the WVTC (18.3%), shows a good spread of training Centres across the country. The results indicate that the government of Namibia has invested adequately into skills development of its population. The fact that more operators attended the WVTC can be ascribed to the study being conducted in Windhoek where WVTC is located.
- The spread of the number of employees indicates a positive contribution to the employment rate of Namibia by SMEs. It can be concluded that if operators are adequately supported businesses will become more sustainabile.
- The research found that the majority of respondent's core business of operation is auto mechanics whilst the least is Boiler maker and Hairdressing and cosmetology respectively. This finding rejects the notion that Namibians venture mostly in soft skills trades (Mbazira & Oyedukun, 2007).
- The findings indicate that the City of Windhoek followed by Ministry of Trade of
 Industry was used to access information for starting business ventures in
 Windhoek. It is however disappointing to note that the NCCI which is mandated
 to promote the interest of SMEs in Namibia was providing the least information.

- If the strongly agree and agree responses regarding personal attributes to start a business are combined (91.7%), it can be concluded that respondents consider this factor to be critical. Only less than 8% disagreed with the statement.
- Less than 9% of the respondents perceive the list of information sources to be not important at all. The results nevertheless show that information on tendering and contract opportunities are well communicated to the members of community in Windhoek.
- The results of the survey reveal that funding plays an important role in determining business start-up in Namibia. It can be concluded that the difficulties experienced by entrepreneurs, discourage and delays the inception of a business start-up.

6.3.2. What incentives will motivate individuals to start businesses?

• Indications of the findings are that incentives are essential for starting a business, which could be attributed to the difficulties experienced to access funding. The incentives include funding from commercial or government sources, physical location, own determination, availability of raw material, soft loans (with certain exemption) by government, affordable tax levies by the government, building to operate from, workers, trading license, bribing someone for favour, must know someone who gives finances, customer base, advertisement, registration with MTI. As a result respondents might see incentives as an option to address access to funding barriers.

- 6.3.3. What are the prerequisites to establish apprenticeship programs and VET systems that evolve with the Namibian labour market requirements?
 - It can be concluded that the most popular apprenticeship program is on-the-job training and industrial attachment to apply acquired skills (80%) and thus a favourable relationship between training institutions and the industry exist.
 - Apprenticeship programs need to improve on transferring practical skills related
 to cash flow management and other relevant skills that respond to industry
 requirements. It can be concluded from the findings of the study, that
 apprenticeship programmes facilitates skills transfer, which cannot be obtained in
 class set-ups.
 - The results show a worrying trend in which respondents gained skills but which were not relevant to the job market. It can be concluded that though institutions enjoy favourable relationships with industry; they do not hold regular consultations to ensure that training institutions satisfy the labour market skills needed by the industry. On the contrary, where consultations are taking place, training institutions curricula are not adapted or they do not have the expertise to teach students the required skills.
 - The empirical results clearly indicate a strong argument for the introduction of mentorship programs as only 13.3% of the respondents possess a Bachelor's degree correlating well with arguments that the SMEs sector in Namibia attracts few individuals with tertiary education qualification since they can enter directly into waged employment (Harris, 2003). This mixed response requires further investigations. Lessons can be learned in this regard from Sweden's

apprenticeship system which combines on- the-job training with school-based general education (Gibbons-Wood & Lange, 2000). However, in the case of Namibia negative perceptions and understanding of vocational education will need to be address to facilitate uptake of subjects and for trainees not to be branded (Uwameiye & Clark, 2003; McGrath et al., 2006).

- Training institutions are therefore challenged to change from 'business as usual' initiatives.
- The results regarding the level at which the apprentice program should be introduced bring in mixed responses, even though the majority preferred the initiation to be done in the last year of training.

6.4 Recommendations

The conclusions of the study findings necessitate follow-up action to benefit the study population, stakeholders to contribute meaningfully to the VET Sector in Namibia. The recommendations emanating from the study results are:

- To engage younger age groups better since they were found to be inactive and reluctant to start a business due to the lack of financial or material resources including expertise.
- Influence perceptions and understanding of nationals regarding VET institutions
 by creating awareness of psychomotor domains to dispel perceptions that VETs
 are meant for school drop outs or mentally challenged individuals,.
- The financial sector and government institutions, needs to review requirements to access start-up capital.

- The MTI supported by NCCI who are the custodians of SMEs should propose
 how incentives to encourage business start-up, can be implemented to address the
 financial barrier. Currently the Ministry of Trade and Industry support SMEs
 with implements and materials and can expand this to other resources.
- School based apprenticeship programmes need to be strengthened to prepare and expose younger adults to different vocational career paths.
- An analysis of VET institutions expertise and curricula needs to be carried out to fill the gaps where they are identified and improve the quality of trainees for uptake by industry and readiness to start entrepreneurial initiatives.
- Training institutions should explore the introduction of practical mentorship programs across various education levels and locations of entrepreneurship development programs.
- Though the Ministry of Education recently announced the introduction of
 academic and vocational subjects at school levels such as Metalwork and Welding
 to be piloted starting 2015 (Haidula, 2014) it must further look into placing
 students at incubation centres to put skills gained from the onset in practice.
- VET stakeholders need to extensively consult on the level at which apprentice
 programs should be introduced and benchmark it against similar programs in the
 SADC region and world.

6.5 Directions for Future Research

ACTOR	FUTURE RESEARCH TOPICS	
City of Windhoek, NDC, NCCI and MTI	 a) Investigate reasons why SME operators are not utiling NCCI sharing and learning platforms. 	ising
	b) Establish why listed communication sources in this	
	survey, were not important at all as it could be attrib	outed
	to respondents using other sources to access contract	et
	and tender information.	
	c) Investigate the terms and conditions under which	
	entrants to the SME sector lend start-up capital from	n
	friends and family members and how it is set-up that	ıt
	will inform a review process in the financial sector.	
Ministry of Education	a) Assess the impact of the VET levy on the promotion	n and
and NTA	improvement of vocational skills requirements of the	ne
	changing labour market.	

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APPENDICES

Appendix A: Research Schedule

Deliverables	June	July	Aug	Sep	Oct	Nov	Dec	Mar
Phase 1: Proposal approval								
Phase 2: Refinement of data								
collection tool and continuous								
literature review								
Phase 3: Pre-testing,								
adaptation & duplication of								
questionnaires								
Phase 4: Field work / data								
collection								
Phase 5: Data entry, analysis								
& Report writing								
Phase 6: Submission of first								
draft								
Phase 7: Integration of								
comments, editing and								
submission of final draft								

Exploring key drivers enabling skills based graduates and artisans to take-up entrepreneurial initiatives in Namibia, A Case Study of Windhoek

Appendix B: Introduction Letter and informed consent

TO WHOM IT MAY CONCERN

RE: REQUEST TO PARTICIPATE IN A SURVEY TARTGETING SKILLS

79

BASED GRADUATES AND ARTISANS

Thank you very much for taking part in this survey. Please find attached a questionnaire

which focuses on exploring key drivers that enables skills based graduates to take up

entrepreneurial initiatives in Windhoek, Namibia.

Your participation in this survey is voluntarily and all information obtained will be

treated confidentially and only for the purpose of this research. You are kindly requested

to fill in the questionnaire to contribute to the primary data collection process. Your frank

responses will be crucial in this research. Your completion of the questionnaire means

you have given consent for the researcher to use the information anonymously to

complete the study

Your cooperation is greatly appreciated.

Yours Faithfully

Elia F.T. Nashandi

Appendix C: Research Instrument

EXPLORING KEY DRIVERS ENABLING SKILLS BASED GRADUATES TO TAKE-UP ENTREPRENEURIAL INITIATIVES IN NAMIBIA: A CASE STUDY OF WINDHOEK

QUESTIONNAIRE

Thank you for taking the time to participate and provide your opinion. The aim of this survey is to establish the factors that influence skills based graduates and artisans to start a business. Please complete the questionnaire by answering all the questions as honestly as possible. The information you provide is anonymous and will be treated with the highest level of confidentiality and will be used for academic purpose only. Demographic questions will only be used for analysis. If you have any questions about the authenticity of the survey, or if you have any other queries, please contact me at elia.nashandi@nys.com.nathanking you in advance, Elia Nashandi, Cell-0811279046.

		PART 1: CRITICAL ASPECTS TO CREATE A	N ENTERPRIS	SE CULTUR	E IN NAMIB	SIA		
1.	a) What platforms are two most important	available to inform you about business ventures opportuni	ities? Circle on	ly the	b) Have yo 12 months	u used the pla	atforms	in the past
					YES			NO
	Namibia Chamber	rs of Commerce and Industry		1		1		2
	City of Windhoek	information sharing gatherings		2		1		2
	Ministry of Trade and Industry			3		1		2
	Team Namibia			4		1		2
	Any other (specify)			5		1	2	
	None	None			1			2
		Please think of the following aspects and rate the quest	tion on each of	the following	statement:			
2.			Strongly Agree	Agree	Not Sure	Disagree	Stron	gly Disagree
	F 4	Innovation	5	4	3	2		1
	Entrepreneurs must	Risk taking	5	4	3	2		1
	possess the following attitude to start a	Grabbing of contracts opportunity regardless of available financial resources	5	4	3	2		1
	business.	Financial resources	5	4	3	2		1
		Creativity	5	4	3	2		1
		Maximization of profit	5	4	3	2		1
3.	How important were	Subject Group	Very	Important	Not Sure	Not	Did	not take the

	the following subjects for you to start a		Impo	rtant				importa		during my tudies
	business?	Numeracy	5	5	4		3	2		1
		Communication Skills	4	5	4		3	2		1
		Written Skills	5	5	4		3	2		1
		Business Studies	5		4		3	2		1
		Accounting	4		4		3	2		1
		Entrepreneurship	4		4		3	2		1
		Small business management	4		4		3	2		1
		Any other (specify)	5	5	4	1	3	2		1
4.		Statement		Very		Importa	N	ot sure	Not	Not at all
				Impor		nt			Important	important
	How useful are the	Print media		5		4		3	2	1
	following sources of	Facebook		5		4		3	2	1
	information for you to	Word of mouth		5		4		3	2	1
	know about contract	SMS		5		4		3	2	1
	(tender) opportunities?	Through a supplier/ contractor's database		5		4		3	2	1
		Consult company/ organizations newly approved projects		5		4		3	2	1
		Television		5		4		3	2	1
		Radio		5		4		3	2	1
5.		Statement		Very I	Easy	Easy	N	ot Sure	Not Easy	Not at all Easy
		Loan from Commercial banks		5		4		3	2	1
		Loan from Development Bank of Namibia		5		4		3	2	1
	Indicate how easy it is to access funding from	Loan from Ministry of Trade and Industry		5		4		3	2	1
	the following sources	Loan from Ministry of Youth National Service Sport and Culture's credit scheme		5		4		3	2	1
		Borrowing from friends		5		4		3	2	1
		Pension		5		4		3	2	1
		Borrowing from Family		5		4		3	2	1

6.	PAR	T 2: INCENTIVES TO MOTIVATE SKILLS BASED G		1		Not	Not at all
0.		Statement	Very Important	Important	Not Sure	Important	Not at all Important
	Indicate how	Funding from Commercial or Government sources	5	4	3	2	1
	important the	Physical Location	5	4	3	2	1
	following	Own determination	5	4	3	2	1
	incentive is for	Availability of raw material	5	4	3	2	1
	you to start a	Soft loans (with certain exemption) by government	5	4	3	2	1
	business in	Affordable tax levies by the Government	5	4	3	2	1
	Namibia?	Building to operate from	5	4	3	2	1
		Workers	5	4	3	2	1
	Circle one answer	Trading license	5	4	3	2	1
	only for each	Bribing someone for favour	5	4	3	2	1
	Statement	Must know someone who gives finances	5	4	3	2	1
		Customer base	5	4	3	2	1
		Advertisement	5	4	3	2	1
		Registration with Ministry of Trade and Industry	5	4	3	2	1
7.		Statement	Strongly Agree	Agree	Not Su	re Disagr e	e Strongly Disagre e
		I received strong financial support from the government.	5	4	3	2	1
		I ensure effective management and governance structure of my business.	5	4	3	2	1
	What is the reason for your business	I focus on market domination by addressing a need for a product or service (niche market) that is not being addressed by other business.	5	4	3	2	1
	success?	I ensure product leadership by placing emphasis on quality, branding of products and value for customers.	5	4	3	2	1
	Circle one answer only for each Statement	I strive to make the right decisions at crucial moments and exercise flexibility to take advantage of new opportunities.	5	4	3	2	1
		I strongly believe in innovation and had been able to do business differently and better.	5	4	3	2	1
		I enjoy stakeholder support by allowing them to introduce new ideas to the company.	5	4	3	2	1
		I allow the business community partnership to bring businesses and the community together to create shared value.	5	4	3	2	1

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I allow employees to exercise flexibility in their work and in the process ensure staff commitment and quality of work.	5	4	3	2	1
Any other (specify)	5	4	3	2	1

	PART 3: PREREQUISITES TO E	STABLISH APPRENTICESHIP PROGRAMS A	AND VOCAT	ΓΙΟΝΑL Η	EDUCATION	TRAINING	(VET)	
_		SYSTEMS					T	
8.		On-job-training where training takes place in a no					1	
	What type of apprenticeship	Industrial attachment which involves the application	on of learned	skills in ar	n organization	related to	2	
	programs did you undergo during	the trainee's trade						
	your studies?	School-based apprenticeship where students start		ship or trai	neeship progra	amme as	3	
		part of their high school studies, generally in Grad						
	Circle only the two most recent	An industrial programme where instruction is deli	vered in full-	time secon	dary education	n with the	4	
	programs.	assistance of business and industry instructors					_	
		Any other (specify)					5	
9.		Marketing your product					1	
	Circle only the two most important. What business skills did you gain from the apprentice program you participated in to perform your	Developing a business plan						
		Bookkeeping						
		Selling your skills to the contractor						
		Networking (collaborations, partnerships)						
		Customer services						
		Time management						
	current work?	Cash flow management						
	current work:	The skills gained from training centre s were relevant to the job market						
		Any other (specify)						
	Answe	r the following statements by choosing <i>one choice</i>	only for eac	h statemen	nt .			
10.		Statement	Strongly agree	Agree	Not Sure	Disagree	Strongly disagree	
	How relevant were the skills	I could immediately practice my skills without being told to in details	5	4	3	2	1	
	gained during training to the job	I have to be sent for training to operate basic	5	4	3	2	1	
	market	equipment						
		I could not be employed because it was hard to	5	4	3	2	1	
		apply theory into practice						
		I only needed orientation about the machines	5	4	3	2	1	
		being used and the basic essentials to apply my						

		skills					
		I had to study additional skills at another	5	4	3	2	1
		institution to match my skills to the job market					
		The skills gained enabled me to find employment	5	4	3	2	1
		without searching for a job for less than one year					
		I could immediately practice my skills without	5	4	3	2	1
		being told to in details					
11.		Statement	Strongly	Agree	Not sure	Disagree	Strongly
			Agree				Disagree
		Contribution by employers through training levy.	5	4	3	2	1
		Increase funding of VET by government.	5	4	3	2	1
	What systems should be in place	Apprenticeship programs before deciding on	5	4	3	2	1
	to facilitate an entrepreneurial	what trade to pursue.					
	culture among vocational trainees	Trainees should start a business from Year one	5	4	3	2	1
	culture among vocational trainees	All items made during training should be made	5	4	3	2	1
		with the intention to sell thereby breeding a					
		business mind among trainees.					
		Electronic Hub (E-Hub) incubation centre to	5	4	3	2	1
		train, and nurture trainees aspiring to start small					
		businesses.					

		PART 4: RECOMMENDATION	ONS				
	Please think of the f	following recommendation and rate the questions o	n each of the	e following	g statements		
12.		Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
	Mentorship programme should be in place for graduates as follow	Industrial attachments which involve the application of learned skills in an organization related to the trainee's trade after training for a certain period.	5	4	3	2	1
		School-based apprenticeship or traineeship as part of high school studies, generally in Grade 9 to 12.	5	4	3	2	1
		Incubation centre s where small businesses are assisted by experts to run their business for a certain period.	5	4	3	2	1
		Industrial stalls where graduates are left to operate a small business on their own after completion of training.	5	4	3	2	1
13.	Apprenticeship should start at the following levels	Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree

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Primary school	5	4	3	2	1
Secondary school	5	4	3	2	1
Each year during Training	5	4	3	2	1
Only in the last year of training	5	4	3	2	1
Level three of Vocational Training	5	4	3	2	1

PART 5: DEMOGRAPHICS					
14.		18 and 25 years of age	1		
		26 and 30 years of age	2		
	How old are you?	31 and 35 years of age	3		
	•	36 and 40 years of age	4		
	Circle one only	41 and 45 years of age	5		
		46 and 50 years of age	6		
		50 + years of age	7		
15.	Gender	Male	1		
	Circle one only	Female	2		
16.		Windhoek Vocational Training Centre	1		
		Polytechnic	2		
		National Youth Service	3		
		Zambezi Vocational Training Centre	4		
	What VET institution/ Centre did you attend?	Okakarara Vocational Training Centre	5		
		Katutura Youth Enterprises Centre	6		
	Circle the most recent institution attended	Rundu Vocational Training Centre	7		
	Circle the most recent institution arenaea	Valombola Vocational Training Centre	8		
		Nakayale Vocational Training Centre	9		
		Eehnana Vocational Training Centre	10		
		Any others (specify):	11		
17.		B-Degree	1		
		Diploma	2		
	What is your highest qualification?	National Higher Certificate	3		
		National Certificate	4		
	Circle only the highest qualification	N3 to N6	5		
		Any other (specify)	6		
18.	What type of ownership is your business?	Sole proprietorship	1		
		Partnership	2		

	Circle one only	Close Corporation			3
	on the time	Company Section 21			4
	Any other (specify)				5
19.	When did you start your business?	Month:	Year:		
	Write the month and year only				
20.		1 to 5			1
	How many people do you employ?	6 to 10			2
		11 to 20			3
	Circle one only	21 and above			4
21.	(a) What is your core business operation?			(b) Is this t	the trade you for?
				YES	NO
		Air -conditioning and Refrigeration	1	1	2
		Auto Mechanic	2	1	2
		Auto Electric	3	1	2
		Bricklaying and Plastering	4	1	2
		Motor Vehicle Body Repair (Panel Beating)	5	1	2
		Boiler Maker	6	1	2
		Fitter and Turner	7	1	2
		Hair Dressing and Cosmetology	8	1	2
		Joinery and Cabinet Making	9	1	2
		Metal Fabrication (Welding)	10	1	2
		Tailoring	11	1	2
		Any other(specify)	12	1	2

THANK YOU VERY MUCH FOR YOUR COOPERATION!