

An evaluation of the effectiveness of training on entrepreneurship development in Windhoek

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Abstract:

The study assessed the effectiveness of training and development programmes for SMEs in the Windhoek area. The study focused on the given problem and as such, the literature review was conducted in an effort to uncover training and development needs of these SMEs. Following that, a survey was conducted with the purpose to investigate and assess the views of SMEs and those responsible for these SME programmes, training and whether they are aware of the training objectives and understand their roles and their significance. The study also assessed the strengths and weaknesses of these training strategies. The study assumes that before an entrepreneur enters a business field, proper training is given to them about ledgers, cash book and cash flow and how to receive goods and conduct stock taking. The study looked at the different roles of the SMEs, the key role players and how they contribute to the Namibian economy as a whole. The study focused on improvements as well as suggestions SMEs might have to improve their business. The researcher has observed that SMEs, training and development is a critical shortcoming in the Windhoek area, due to an increasing number of SMEs that are developing in the Windhoek area. The research questions also show that there is a great need for training and development of existing entrepreneurs. Some of these SMEs are a direct result of unemployment. The results suggest that training and development lead to higher SMEs performance. Most of the SMEs are trained on the job as expressed in the various literature reviews in the Windhoek area; therefore, the study concludes that there is a need for training and development for SMEs.

JEL Codes: I22 - Educational Finance; I23 - Higher Education and Research Institutions

Keywords: Entrepreneurship, SMEs, Training, economic Development, Windhoek, Namibia.

1 INTRODUCTION AND BACKGROUND

The role of entrepreneurship as an engine of economic development was widely recognized by policy makers in most countries, including Namibia (Nieman, 1999). Evidence suggested, however, that its potential was far from having been fulfilled. Much more coordinated training of entrepreneurs and SMME's was needed to allow for entrepreneurs to enter the SME sector without any hassles. Entrepreneurs in the country and especially in the SME sector relied too much on government for support and subsidies and therefore their full potential was yet to be researched. Namibia needed to nurture entrepreneurship, not only by creating the macroeconomic environment that allowed entrepreneurship to thrive, but also by actively training and educating present and future entrepreneurs. The training and development of present day entrepreneurs was closely related to the small business environment and it was not based on the management of large companies (Nieman, 1999).

It was through proper and efficient training and development of entrepreneurs that entrepreneurial performance could be enhanced (Wickham, 1998). An investigation into the levels of training and development of entrepreneurs is therefore important. The future entrepreneurs are expected to be more educated and technologically advanced individuals. Entrepreneurs in Windhoek city have been facing many problems in terms of acquiring start-up capital and access to training facilities. They are opportunists who go in search of possible business ventures with the aim of growing it, making use of their own experience and resources. This paper investigates the effectiveness of training and development on entrepreneurship development in Windhoek.

Despite the fact that entrepreneurs and SMEs were regarded as change agents in transforming economies (Aidis, 2003a; Aidis, 2003b; Smallbone & Welter, 2009), the significance of entrepreneurship and SME development was not often realized and was ignored to a large extent. Instead, government and its policy makers rather directed their attention to the restructuring and privatization of state owned enterprises. During that process, the government tended to allocate fewer resources and attention towards the development needs of entrepreneurs as well as to the encouragement of entrepreneurship.

With the emergence of entrepreneurship as a major economic force, the field of entrepreneurship education and training had gained legitimacy and had grown substantially (Kroon, 1997). In Namibia, however, the challenge of complete academic legitimacy for entrepreneurship remains. According to Kroon (1997), entrepreneur education and/or development should be directed at preparing individuals to be agents of change for the future. Business and technical skills training at Namibian training institutions were readily available, while Entrepreneurial skills training lacked. While it could be argued that some legitimacy had been attained in the current state of entrepreneurship education and training, there were critical needs that had been left unaddressed. The basis of that reasoning in the foregoing paragraph was that quite a number of Namibian training institutions claimed to be offering entrepreneurial training whereas it was merely business training (Ladzani, 1999).

Many of the small and upcoming as well as established entrepreneurs were urban based and largely concentrated around Windhoek, Namibia's capital (LaRRI, 2002). However, many of their enterprises were also spread across regions in areas such as Oshakati, Ondangwa, Katima Mulilo, Rundu as well as Keetmanshoop and Luderitz in the south.

Research Problem

New business formation had been regarded by both scholars and public policy formulators as a source of economic growth and technological development (Kuratko, 2003). In that light there was an international consensus on the need to spur regional growth of entrepreneurship. National governments had responded with multiple policy initiatives to enhance entrepreneurship development. Entrepreneurship development and training had been one of such initiatives. Education and training could have influenced entrepreneurship by providing people with the necessary skills and information to start up a business as well as stimulate the development of entrepreneurial values, such as creativity, independence and risk taking thereby promoting self-employment (Candice *et al*, 2001). However, despite the recognition that education and prior entrepreneurial experiences influence people's attitudes towards starting and developing their own businesses, the impact of entrepreneurship education on intentions to found a business had remained relatively untested and questionable (Donckels, 1991; Krueger and Brazeal, 1994, as cited in Weber *et al*. 2009).

It was generally perceived that business people in the informal sector had low education levels (NEPRU/NCCI, 2002). Skills like mastering the basics of accounting, management of cash flow, economics, marketing etc. might be taught and could contribute to the effectiveness of entrepreneurs. Such acquired knowledge and competency played an important role in the success of small businesses, government intervention through policy initiatives were important. Resources should be allocated to ensure that entrepreneurs benefited from educational support.

Problems connected to education and skills level in Namibia among small scale business operators could be attributed, among other factors, to the colonial legacy that denied proper education and training to many of the present day entrepreneurs, but also the fact that many occupations and trades were not covered in the formal education or training system. Entrepreneurs and other businessmen with low levels of education and training and without the necessary skills would rather try their luck in the retail-trading sector where not substantial skills were required. Another reason was the high rate of competition in other sectors. Entrepreneurship as a subject in schools had only been introduced recently and institutions of higher learning are doing the same. Relatively few of the small scale business operators were without any education (NEPRU/NCCI, 2002).

The Government of Republic Namibia (GRN) had identified small, medium and micro-enterprise sector as a priority in creating employment and alleviating poverty in the country (NEPRU/NCCI, 2002). It also recognized the importance of developing a strong SMME sector in the country. However, a little had been done to promote the training and development of potential entrepreneurs in the Windhoek city. The biggest contribution in terms of support and guidance towards aspiring entrepreneurs and the SME sector in Namibia came from the private sector while government was sitting idle busy putting in place legal frameworks for SME's to operate in. Very few reliable data existed on the small business sector in Namibia and the Joint Consultative Committee(JCC), a network of organizations who provide services to small businesses in Namibia, therefore took the initiative to commission studies on the impact of the SME sector. The Labour Resource and Research Institute (LaRRI) was asked, by government to examine the specific aspects of employment and income while Namibia Economic Policy Research Unit(NEPRU), was commissioned to carry out a study on the economic contribution of the SME sector in Namibia. Combined, these two studies were expected to provide an indication of the overall socio-economic impact of the SME sector. The outcome of this combined study prompted government to

invest more into the upliftment of entrepreneurs and the SME sector as it realized that the sector was the major contributor towards the Namibian economy and a tool for employment creation and poverty alleviation. We therefore identified two research problems: 1] The training levels of entrepreneurs in the Windhoek city were low; and 2] The training and development of entrepreneurs were ineffective.

Objectives of the Study

The main objectives of this study were

- 1) To investigate the effectiveness of training and development on SME entrepreneurs in Windhoek.
- 2) To identify the strengths and weaknesses of existing training programs and the challenges facing SME entrepreneurs with regards to business management competencies and skills.
- 3) To examine the role of government and other institutions that are involved in the training and development of entrepreneurs and the overall impact that they had on entrepreneurship development.

Research Questions

An attempt has been made in this research study to provide answers to the following research questions.

- 1] Was there a need for further training and development of existing entrepreneurs?
- 2] What were the obstacles towards adequate training and development of entrepreneurs in Windhoek?

The government of Namibia recognized the importance of developing a strong formal and informal business sector through the creation of small and medium enterprises. Many entrepreneurs in-charge of such enterprises were successful in delivering services needed by consumers and were generally profitable. It was however difficult to establish whether these entrepreneurs were performing well due to their formal training and education, or simply because they possessed the necessary inert skills and experiences acquired without the benefit of formal training.

Hypotheses

Based on the preceding discussion, it was postulated that:

- H1: Entrepreneurs who had benefited from training and education outperformed their counterparts who are not exposed to training and development.

Methodology and Data Source

The study attempted to search for evidence on the effectiveness of training and development of entrepreneurs and the impact that it had on their performance. The study also used literature to gain correct information about education and training levels of respondents. Another source of secondary data that was utilized was from reports, government publications, extracts from the internet and face-to-face interviews. We could easily administer the questionnaires because they were chosen because of time constraints and resource availability. The study also reviewed published material related to the SMME sector after which the data gathered were analysed to seek answers to the research question.

The study opted to utilize the survey research method as the basic research design. The survey made use of individual respondents that were requested to respond to the questionnaires. The questionnaires were completed while the interviews were being conducted.

The study targeted upcoming entrepreneurs at the Katutura/Khomasdal Incubators Centre and markets. This is centers where small and medium enterprises set up their businesses and operate from with the assistance from the City of Windhoek (CoW) and The Ministry of Trade and Industry (MTI). As an effort by government to develop small and medium enterprises in Namibia, it was a good example of promoting entrepreneurship in the country. As many potential entrepreneurs in the country were men, 65% of candidates interviewed were of the male gender, while the remaining part was women. Other target individuals were owners of courier companies, which was an upcoming trade in Namibia. A facilitator on the part of government was the MTI, who possessed a database of all entrepreneurs in Namibia. The target population consisted of 90 SME's in the Windhoek city only. The data was collected during the period from 11 October 2011 till 21 October 2011. All SME's involved in different businesses formed the population of this study.

2. REVIEW OF LITERATURE

Entrepreneurship has the following theories:

Economic Theory – Entrepreneurship and economic growth would take place when economic conditions were favourable, economic incentives were the main motivators for entrepreneurship activities. Economic incentives include taxation policy, industrial policy sources of finances and raw material infrastructure availability investment and marketing opportunities, access to information about market conditions and technology (Scott, 1999).

Sociological Theory – Entrepreneurship was likely to get a boost in a particular social culture. Society's values, religious beliefs, customs and taboo influences (Scott, 1999).

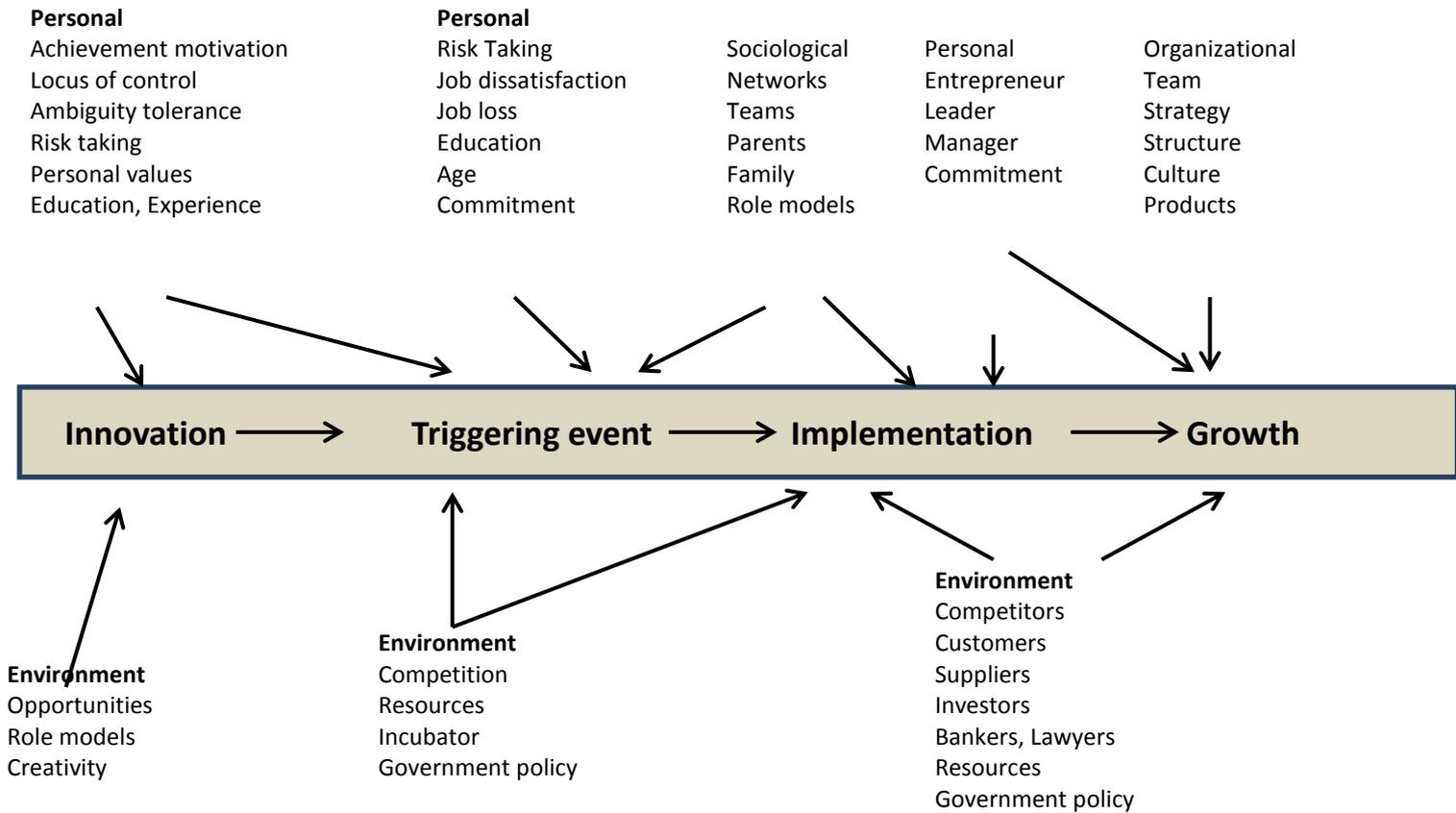
Psychological Theory – Entrepreneurship would get a boost when society had sufficient supply of individuals with necessary psychological characteristics. Psychological characteristics include need for high achievement a vision of foresight. Characteristics were formed during individual's upbringing which stress on standards of excellence, self-reliance and low father dominance (Scott, 1999).

According to (Covin and Miles, 1999), entrepreneurship was the presence of innovation as well as the objective to rejuvenate or to purposefully define markets and industries in order to ensure smooth entry into such markets and industries. Through innovation, they would introduce something new to the market. Out of curiosity, customers would buy and test such products and services. Covin and Miles also suggest that entrepreneurs need to reflect capabilities and traits that will enable them to create and manage new venture creations successfully.

In order to establish an entrepreneurial environment, certain factors and leadership characteristics needed to be prevalent (Hisrich and Peters, 2002, as cited in Kunene, 2009). The following model explains the entrepreneurial process by (Hisrich & Peters, 2002,).

Figure 1: Entrepreneurial process model by Hisrich & Peters

A Model of the Entrepreneurial Process



Source: Hisrich & Peters (2002) as cited in Kunene, 2009.

Entrepreneurship education

According to one study conducted in South Africa, entrepreneurship education in the country should be directed at the preparation of individuals who could be change agents for the next decade, simultaneously producing the much needed entrepreneurs required for the country. Entrepreneurship training and development as well as small enterprise training could be approached from different angles. They were business skills training, technical skills training and lastly entrepreneurial skills training (Kroon, 1997, as cited in Verheul, *et al.* 2001).

Business skills training covered all the conventional management training areas in a business. These include, strategy, planning, marketing, financial and project management as well as time management. Technical skills training addressed the ability to use knowledge or techniques of a particular discipline to attain certain ends. Entrepreneurial training involved the creation and growth of a business enterprise and included, amongst others, creativity and innovation, risk propensity and need for achievement. Business training is formal training that covered all aspects of management which included leadership, motivation, delegation, communication and negotiation (Kroon, 1997, as cited in Verheul, *et al.* 2001).

Entrepreneurial skills training were defined as the skills which enhanced entrepreneurial performance (Wickham, 1998, as cited in Nieman, 1999). A skill was simply knowledge which was demonstrated by action. Entrepreneurial skills could be divided into two categories: general management skills (strategy, planning, marketing, financial, project management & time management) and skills in dealing with people, leadership, motivation, delegation, communication and negotiation (Wickham, 1998, as cited in Nieman, 1999). In addition, industry knowledge and personal motivation were also key contributors to entrepreneurial performance. Successful entrepreneurs must learn how to use these skills appropriately.

While others saw education and training as a potential for career change, entrepreneurs regarded education to be a vehicle for concrete problem solving, intimately associated with the operational activities of the venturing process. While most entrepreneurs had a limited basic education, they were keen on continuing education, as this might improve their abilities to perform better as they would be better equipped in terms of knowledge and technological know-how. This suggested that training should be organized as close as possible to the natural context of business operations, meaning that training be monitored to determine which programs and projects would be most suited and appropriate for the Namibian situation.

Training and development is a systematic process for analyzing and improving entrepreneurial performance in the SMME sector (Zoetemeer, 2001). It encompassed all of the entrepreneurial performance analysis, training, career development, and organization development activities provided by tertiary institutions to help entrepreneurs achieve their goals. With regard to the Namibian SMME sector, institutions assisting entrepreneurs in achieving their goals were MTI, Namibia Chamber of Commerce and Industry (NCCI), The Polytechnic of Namibia, local banks as well as various private and non-governmental organizations. The Development Bank of Namibia also provided funding for SME's through Bank Windhoek. In order to overcome the lack of collateral which many SME's faced, the assets funded by this scheme serve as security (NEPRU/NCCI, 2002).

These institutions provided financial support and guidance to potential entrepreneurs. Institutions of higher learning like the Polytechnic offered tailor-made training and development programs aimed at equipping these entrepreneurs with the necessary skills and knowledge to create business ventures. The MTI in conjunction with some local banks (Bank Windhoek and Standard Bank as well as Ned Bank), had implemented credit guarantee schemes for SMME's who wish to enter the sector. The latter bank had recently funded The SME Development Project to the amount of N\$345 000. The small and medium-sized enterprises sector was set to benefit from a specially designed training programme to be run over three years at the Centre for Entrepreneurial Development at the Polytechnic of Namibia in Windhoek.

Most of these small businesses if not all, had succeeded in putting up profitable business ventures through the support they received from these initiatives. Training and development professionals perform such roles as program designer, trainer, organization development consultant, process analyst, and manager/administrator. The experience gained from classroom instruction and interaction provided the potential entrepreneur with the background and skills essential to better perform. Effective training programs had expanded networks of resources and contacts amongst entrepreneurs who shared the same interests, problems and needs (Haase; Lautenschläger and Rena, 2011).

“It is internationally accepted and acknowledged that the Small and Medium Enterprises (SME) sector is an essential factor in promoting and achieving economic growth and development and the widespread creation of wealth and employment” (Nieman, 1999). Efforts by small and medium scale entrepreneurs to succeed in business in Namibia have paid off, as many of these enterprises were now acknowledged by the Namibian government as employers. It was in recognition of the energy and passion that they devoted to their businesses, that small entrepreneurs were valued in their societies and beyond. Entrepreneurship and SMEs had got an extremely important function that was, that of picking up the rate of economic development of transition economies (Putkaradze & Abramishvili, 2009).

Entrepreneurship is common in many environments, but develops quickly and rapidly grew in conditions where it was appreciated and supported. Entrepreneurs and SME's were seen as vehicles for economic and social development (Kirby & Watson, 2003). The City of Windhoek (CoW) better known as the Windhoek Municipality had in recent years embarked upon a Business Incubation Development Programme aimed at supporting potential entrepreneurs in sustaining and further developing their businesses. The programme was designed to specifically identify the critical success factors of each business and the long term and short term strategic action plans that each required succeeding. Based on specific information from the due diligence process, small medium enterprise incubation centre (SME IC) tenants gained a framework to guide the growth and development of their business at the beginning of their tenure with the SME IC. The Business Incubation Development Programme was a three-year programme during which targeted support would be provided to the tenants. Furthermore, in line with the objective of SME IC, the level of support would gradually be minimized over this period as it was expected that businesses would require less assistance as they continue to participate in the development programme and implemented the skills and knowledge gained. Finally, upon graduation from the centre, the entrepreneur would be in a position to sustain and develop and expand his/her business.

The Namibian government gave high priority to the education and training of its citizens. A good example of government's effort to uplift the education and training of its citizens was the introduction of NAMAS [Namibia Association of Norway]. NAMAS was working on the following ongoing education projects: Indigenous peoples programme with the Himba and San peoples focusing on education and strengthening civil society; Traditional Life Skills Project for Karas and Erongo Regions; and Pedagogical Entrepreneurship with a national approach (Johansen, & Schanke, 2008).

An adult literacy programme was also introduced to accommodate and assisted elderly citizens in bettering their education. In another attempt to invest in the education of its people, the Namibian government introduced Entrepreneurship as a new subject in Junior Secondary Schools in 2004 through its development and training partner NIED, [The National Institute for Educational Development]. The institute was tasked to put this decision into practice. The preparatory work on the introduction of Entrepreneurship was completed in the period 2006-2008 (Johansen, & Schanke, 2008).

This was evident in the high budget allocation that annually went into the Ministry of Education. The current development budget in the Ministry of Education is about N\$ 5 036 570 000 and this amount is increasing annually as the overall budget is increasing. The overall performance of the SME and Entrepreneurship sector with a few exceptions had not

been that impressive. Although a number of Entrepreneurial ventures had emerged successful, a lot more needed to be done for training and development to be deemed effective. A suitable training curriculum for Namibian entrepreneurs was not easy to specify. At present, there seems to be no general agreement as to the basic content of such training interventions that aim to improve entrepreneurial performance (Van Vuuren & Antonites, 2001). It was relatively difficult to predict entrepreneurial success in the Windhoek region as Namibia is still a developing country. To a certain extent the study was of the opinion that the training and development of entrepreneurs in the region were effective as the creation and formation of new business ventures and SME's were on the increase. The training of entrepreneurs in Namibia was a relatively new phenomenon and was still in a very early development phase.

When we review entrepreneurship training and development programmes in Namibia, we found that the same situation prevailed here (Johansen, & Schanke, 2008). In order for training and development programmes or courses to be effective for entrepreneurs, the curriculum needed to focus on specific areas. Too many different courses showed a chaotic and "undisciplined discipline", but policy makers believed that this diversity of different training programs and courses aimed at enhancing entrepreneurial performance would change for the better as soon as the field reached maturity (Alberti, *et al.* 2004). It could also be argued that because Namibia was still a relatively young economy, it could invest more aggressively in the development and training of aspiring entrepreneurs in the SME sector, as this sector was considered the backbone of the country's economy. 95% of businesses in the Windhoek region were comprised of SME's (Meyer, 2011). The SME sector in Namibia was essential in promoting and achieving economic growth and development and the widespread creation of wealth and employment (Nieman, 1999). Efforts by small and medium scale entrepreneurs to succeed in business in Namibia had paid off, as many of these enterprises were now acknowledged by the Namibian government as employers. Entrepreneurship and SMEs had got an extremely important function that was, that of picking up the rate of economic development of transition economies (Putkaradze & Abramishvili, 2009). Small and medium-enterprise development was identified by the Namibian government as a priority in creating jobs to solve the unemployment problem in Namibia and especially in Windhoek (LaRRi, 2002).

The country had two institutions of higher learning namely; The University of Namibia and The Polytechnic of Namibia. Either of these institutions was in a position or was capable of offering programmes and courses aimed at improving the qualifications and skills of entrepreneurs. The question however remains. Was the content of these programmes and courses appropriate for entrepreneur development and training? In a study conducted by (Van Vuuren and Antonites, 2001) in South Africa, it was found that consensus amongst academics as to the appropriate content for entrepreneurship courses were lacking (Nieman, 1999).

Certain competencies that needed not be overlooked when compiling educational materials for the use in entrepreneurship training and development were: performance motivation, creativity and innovation, opportunity identification, business plans, financial skills, marketing skills and general management skills. Performance motivation was the process of directing and supporting employees or teams to work as effectively and efficiently, by way of motivating them. Innovation was the specific tool of entrepreneurs, the means by which they exploited change as an opportunity for a different business or a different service. Creativity referred to a person's imagination and ability to think creatively. The latter included:

organizing, planning, control, co-ordination, strategic process, decision making and basic management principles (businessballs.com).

It was important to note that entrepreneurship could be taught, and entrepreneurship courses could enhance a student's propensity towards business endeavours and effected their decisions accordingly (Gorman, *et al.* 1997). The Polytechnic of Namibia through its CED was committed to providing quality entrepreneurial training in Namibia as well as flexible and customized learning solutions for aspiring entrepreneurs. Others like Sydney Martin, Frans Indongo, Harold Pupkewitz (late) and Mathew Shikongo are indeed talented entrepreneurs.

Entrepreneurship training and development could have different goals and outcomes. Therefore, the trainer or tutor needed a professional and competent approach in the classroom. Trainers should have a full understanding of the learning habits of students, in this case aspiring entrepreneurs as well as try to focus on cultivating students' innovative business sense and building up their skills of entrepreneurship. They should abolish their teacher's roles from that of a knowledge provider to that of a learning partner and adopted various teaching methods, such as: case analysis, brainstorming, role play and games etc. It is considered wise to invite successful entrepreneurs in the Namibian set-up for example, Harold Pupkewitz, Frans Indongo to give lectures on their own experiences (China Youth University for Political Sciences Report, 2006).

The Key areas needed to be nurtured ranges from the creation of new ventures to the development of personal entrepreneurial skills. Some of the key success factors of entrepreneurs trying to venture into the creation of new businesses were skills, expertise and aptitudes. More importantly, were their personal characteristics. Furthermore, the functional management skills of entrepreneurs were equally important. Lastly, the way they deal with external factors that affected entrepreneurship should not be forgotten. Potential or aspiring entrepreneurs looked at the nature of the product or service as well as the complexity of its development, manufacturing and marketing, to determine which business venture was most suitable (Nieuwenhuizen, *et al.* 2004).

Secondly, the legal liability of the owners was another factor influencing the choice of a business venture and the effect of taxation on it. Before venturing into the chosen business, the education, training and development needed of employers and employees needed to be addressed. This would ensure proper functioning of the whole business and entity. It was vital that the aspiring entrepreneur be aware of all these important aspects in order to evaluate personal strengths and weaknesses realistically to achieve their proposed goals. It was therefore important to take into account the diverse needs (skills, expertise and aptitudes) of different groups under any program or course aimed at improving the knowledge and skills of those groups (Nieuwenhuizen, *et al.* 2004). Existing entrepreneurial curricula could be used as a basic starting point, but the entrepreneurial component should be clearly defined (Gibb, 2007). Entrepreneurship in Namibia was taught in school as a subject and through short courses at the Polytechnic of Namibia (CED).

3. RESULTS AND DISCUSSION

Table 1: Respondents by Location wise

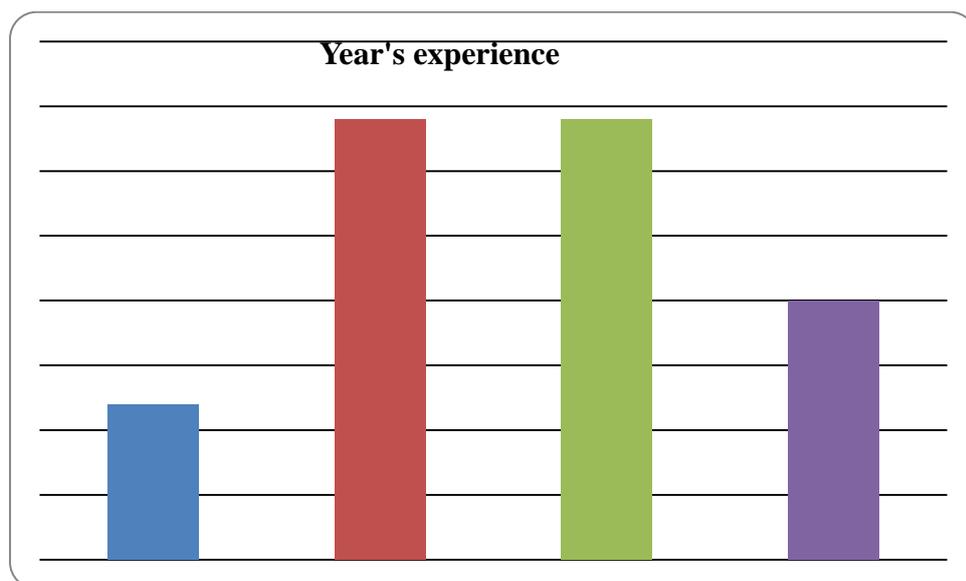
Research Area	No of questionnaires	No of respondents	%
Katutura	71	71	79
Khomasdal	19	19	21
Total	90	90	100

Source: Primary data

Table 1 indicates the total amount of research questionnaires completed by the respondents and received back. From the 90 questionnaires completed 79% of the respondents reside in Katutura business areas which is also the majority of the respondents interviewed, 21% of the respondents are from the Khomasdal business area, which is relatively small compare to the business area of Katutura. This graph shows that the area that is the most affected by poverty and illiteracy has the most businesses trying to make a living for themselves instead of reverting to crime and accepting hand-outs. The results also indicates that most of the disadvantage people prefer self-employment rather than to work for a boss.

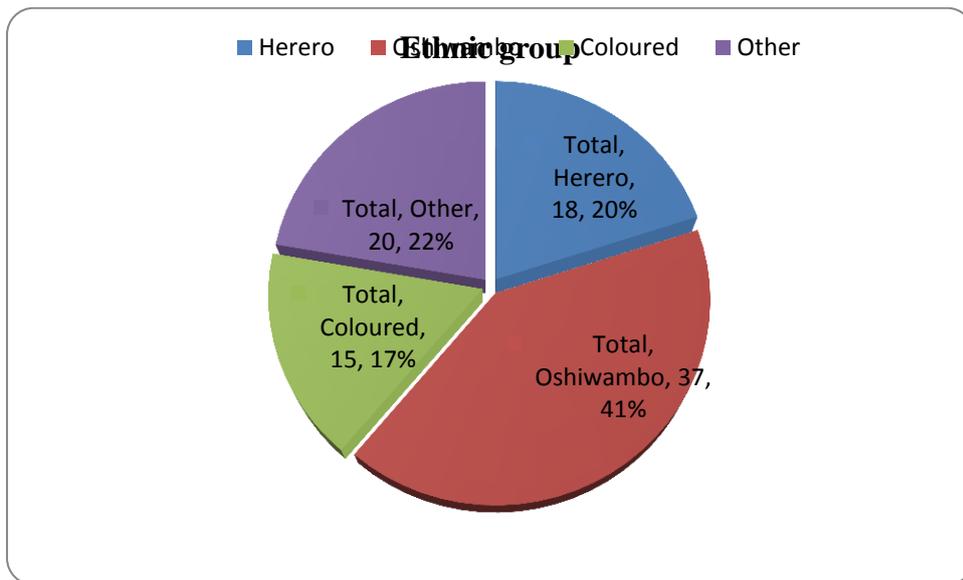
It is evident from the figure-1 that 12% of the respondents have less than 2 years' experience in the entrepreneurial industry, 34% of the respondents have between 2 and 5 years' experience and another 34% have experience between 5 and 10 years, while the remaining 20% have more than 10 years' experience. Like the previous graphs this graph just proves that more and more youth are turning into self-employment to sustain their livelihoods. The average years of experience in the entrepreneurial industry was about 5 years, which indicates that these entrepreneurs were unemployed after secondary school and saw self-employment as the best option to make a living.

Figure-1 Experience of the respondents in the entrepreneurial industry.



Source: Primary data

Figure -2: Ethnicity of the respondents.

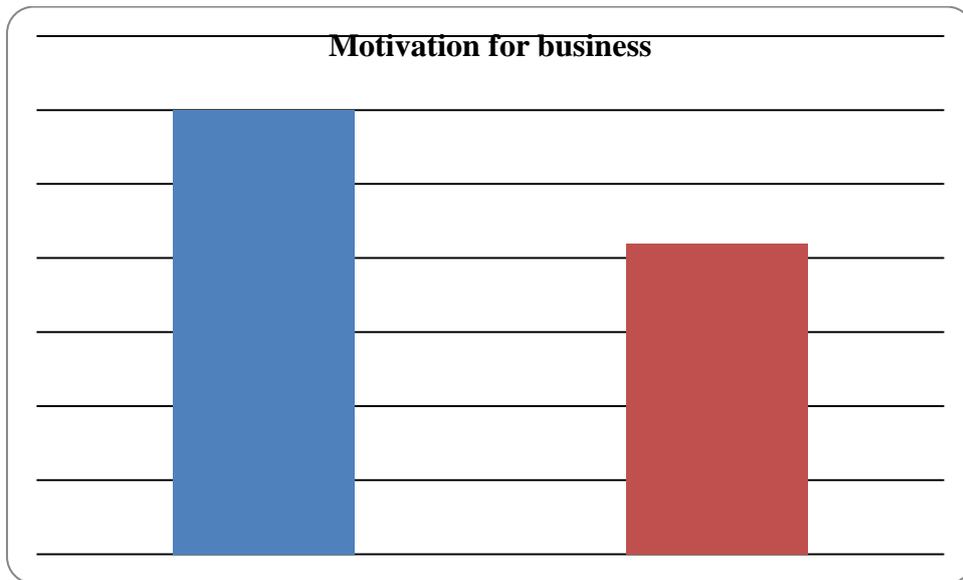


Source: Primary data

Figure -2 above shows the respective respondents' ethnic groups and it also gives a clear picture of which group is more into running their own businesses and having their own enterprises. The chart clearly indicate that the majority 41% of the entrepreneurs in the Windhoek region is hailing from the Oshiwambo group, 20% from the Herero community, 17% from coloured community and the remaining 22% are from the Damara>Nama community, Angolans, Indians as well as from the Xhosa community in Namibia. This graph just concludes that the most disadvantaged communities or racial groups are more business orientated to sustain their lives. It also proves that other racial groups that are not Namibian are more likely to start self-employment than Namibians themselves. Namibians would rather be working for other people than create jobs for themselves.

It is evident from the figure 3 that the majority of the respondents are in their businesses for survival and the others are in business to grow the businesses. From the evidence above 60% are just doing business to survive and feed their families this is also evident that they do not want to contribute to the unemployment rate of our country, 42% of the respondents are trying to grow their enterprises to contribute to the Namibian economy and to help to ease the unemployment rate by providing jobs to the men on the streets, from the 42% of the respondents 2% indicated both survival and growth for their enterprises. Since SME is a small business enterprise, money or richness is not important to these respondents they all started small businesses mainly for survival and only a small percentage wants to grow their enterprises to contribute more to the Namibian economy.

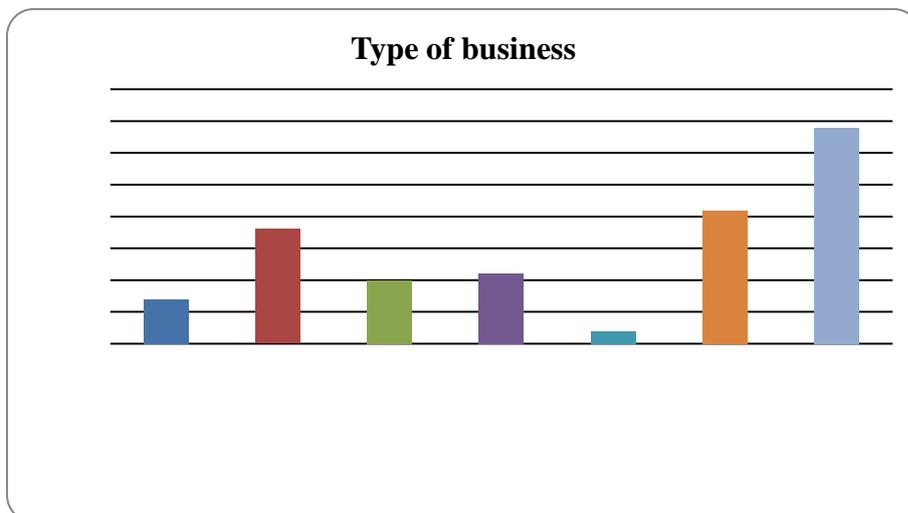
Figure 3: Motivation for the respondents to be in the business.



Source: Primary data

In figure 4 it is indicated that 7% of the respondents are in the design and printing business, 18% are in the hairdressing business, 10% in the cosmetics business, 11% are in the clothing business, 2% are in the shoe maker industry, 21% are in the food business and 34% has indicated that they are doing other type of businesses. Those respondents that indicated “other” are doing business in the following areas, car wash, mechanics, upholstery, make-up artist, bakery, import, scrap, *shebeen*(A place where people go for drinks and entertainment), transport, key cutting and lock repair, fruits and veggies, glass cutting, repairs, needlework and distribution, 3% of the respondents have indicated that they are in more than one business and have also indicated likewise on the questionnaires.

Figure 4: Type of businesses interviewed for the study



Source: Primary data

Start-up capital (N\$) of the selected ventures.

It is evident from our findings that 44% of the respondents have started their businesses with more than N\$ 3000, 9% of the respondents indicated that they started off with less than N\$ 100, 20% started their businesses between N\$ 101 – N\$ 500, 14% between N\$ 501 – N\$ 1,500 and 12% between N\$ 1,500 – N\$ 3,000. Most of the respondents as can be seen from the pie chart have started with little money due to the fact that they just want to survive to feed their families.

The SME's and their sources of finance.

Our results reveal that the majority of the respondents have started their businesses with their own savings. From the information above it clearly shows that 12% of the respondents was subsidies by their family members, 17% of the respondents manage to secure bank loans for their businesses, 62% of the respondents have used their personal savings to start their own businesses and 9% of the respondents indicated other but did not want to elaborate on where they got the money from. This graph indicates that most of the respondents saved up to start their business and proves that it was not just a spur of the moment decision they planned this for years.

Monthly income for the business

The pie chart above shows the respondents monthly income as indicated by them; this depends on the type of business that they are operating. Out of the 100%, 8% of the respondents are earning <N\$ 500 per month, 26% are earning between N\$ 501 – N\$ 2,000, 19% are earning between N\$ 2,001 – N\$ 5,000, 17% are earning between N\$ 5,001 – N\$ 10,000, 23% are earning between N\$ 10,000 – N\$ 20,000, and another 8% are earning above N\$ 20,000. Some of these respondents feel that they cannot afford to maintain their households because of the little income they receive, they even want the government to subsidise them.

Training programs conducted by various stakeholders

It is evident from our results that not all of the respondents interviewed attended training with these organizations. The results indicate that 50 respondents out of the 90 have benefited out of these organizations, which is 56% of the respondents and 44% of the respondents indicated that they did not benefit at all. From the 56% that have benefited, 4% attended training with Government, 2% attended with Parastatals, 6% benefit from Non-governmental organizations, 60% benefit from the Private Sector and 28% benefit from Tertiary institutions. This graph shows that SME's mainly benefits from the private sector trainings the reason could be that the trainings are more self-employment orientated and are conducted at times when the other parties cannot attend.

From the respondents that responded positively to City of Windhoek training programmes, 30% have made use of the programmes, while 70% did not make use of the programme. From the respondents that have made use of the programme, 34% has made use of the programme on a yearly basis, 37% made use of the programme on a half yearly basis, 7% of them made use on a quarterly basis and 22% made use of the programme on a monthly basis. This graph indicates that SME's are ready to respond positively to trainings offered by City of Windhoek. They do not attend all the trainings but makes plans to at least attend more than half of the trainings.

4. CONCLUSION

The role of SME the Namibian economy should not be over emphasized as this has paid off in economic growth. The SME's compared to large firms require fewer resources and nonetheless they have been recognized as major contributors to the economic growth of Namibia where there is about 52% people are unemployed.

In line with this, there is business incubation centers build to support entrepreneurs to reach their maturity. Therefore, in the entrepreneurial education, we must target individuals who are ready to be changed as agents that drive economy in the long run and simultaneously produce the much needed entrepreneurs required for the young country, Namibia. Their skills should vary encompassing business skills training, technical and entrepreneurial skills training. These will provide better performance in the business world.

Polytechnic of Namibia offers tailor made courses and programmes for the people aspiring to be the future entrepreneurs through its center CED. Promising entrepreneurs are nurtured and out of these role models and mentors are provided for their respective communities. Government started the start-up assistance programmes but soon ended up scrapping them for one reason or another. There is difficulty for entrance into a special market thus making them not to grow sufficiently and rapidly and consequently fail to perform their role as engines of economic growth and poverty alleviators.

The entrepreneurial development in the City of Windhoek focuses on globalization but the bigger and well established entrepreneurs benefit from the exposure to global markets. The Government regulated entrepreneurs through MTI and guaranteed property rights for SME's. The disadvantage of entrepreneurs is that there is no regular monthly salary.

Attempt is made in this paper to identify the strengths and weaknesses of the existing training programmes and the challenges facing SME's. It was shown that circumstantial factors did potentially shape entrepreneurial orientation and that certain entrepreneurial orientation dimensions and background factors were associated with entrepreneurial performance. This research paper provided evidence that certain trainings did potentially contribute to shaping SME's and did contribute to increased earnings for SME's.

SME's should further be made aware of the benefits of training programs.

- 1] SME business is dominated by the young and energetic entrepreneurs that are contributing to national GDP.
- 2] Many SME's are undertaken for survival of the entrepreneurs and their respective families and to help reduce national unemployment rate of the country.
- 3] Some are in entrepreneurial business to create jobs for men and women in the streets.
- 4] The Ministry of Trade and Industry and the CoW provide haphazard training courses to entrepreneurs by non-committed consultants.
- 5] The training programmes are not well publicized and if available they are poorly organised.

Taking into consideration the findings and conclusions of this paper, a few of the following recommendations are made:

- 1] The study has revealed that SME's needs more training to develop their businesses.
- 2] SME's training courses be well organised by committed consultants.
- 3] Government and the CoW should provide effective training so that SME's will thrive in their venture.
- 4] Training programmes should be well publicised in advance for participants to get all the necessary documents in time for active participation at such training programmes.

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