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TRANSFORMING NAMIBIA'S  
HUMAN RESOURCE TOWARD  
INNOVATION AND ENTREPRENEURIAL  
DEVELOPMENT: LESSONS FOR  
MANAGERS, AND THOSE ENGAGED  
IN EDUCATION, TRAINING AND  
BUSINESS SERVICES

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## ABSTRACT

*This paper explores the creative urge (CU) that transforms hominids from the notional view as human resource to the fully functional state of contributing human assets. Its aim is to build understanding of the creative energy that is embedded in all of us – in our cells and our individuality. Mostly latent, this capacity goes often misunderstood, unrecognized or is under-utilized in the average person. Those that realize this innate potential within them recognize also the value and power of the intuition which, when discovered, plants labels on us as “geniuses, creators, artists, leaders, innovators, entrepreneurs”. Those that do not realize this potential, are left to fallow in the perpetual rat race, as followers and hewers for others.*

*In this presentation, I have tried to model and show the explicit and implicit relationships between empirical evidence of CU and its various sources and to characterize common traits that are shared by innovators, entrepreneurs and leaders. To appreciate the phenomenomics, the paper explores the various ways in which we inherit, acquire and inculcate our individual traits, and how, with this new insight, we can mould and transform them into our characters, skillsets, talents, intellect, intelligence, and how they do transmogrify our values as individuals, family, and collectively, as communities, tribes and nations.*

*Among other things, the paper explains how the creative urge (in us) kindles our attributes, directs the several paths we use to uncover, enhance, advance and activate the entrepreneurial attributes that are stored or trapped mechanically in our subconscious mind. How we connect our physical and metaphysical sensors with the intuition and, more importantly, how we can valorise the human mind to its highest creative potential. Illustrating mentally and graphically, the paper presents a value assessment of the intuition and its pervading role and enlightening influence on our creativity, insight and intellect, and how we can use such influences to re)construct mental and physical prototypes for production, services, for economy and the structures and visions that we use to drive and sustain public and corporate policy.*

*In summary, this exposé provides insight into valuable techniques we may use to ignite and create our own development models to raise ourselves as innovators, entrepreneurs, and collectively as firms and nations. Lastly, the paper explains the pervasive influences of directed education and training on entrepreneurs; and the links between environment, anthropology, culture and social constructs we make to engage with or alter the course of nature and our natural destiny. It opines a sort of blueprint to build up our perceptive skills and insights to enable and amplify our capacities as individuals for innovation, creativity and entrepreneuring. Finally, we should be able to recognize the creative urge that is responsible for the source of energy we are and embody.*

### **Growing Entrepreneurs: challenges vs the rewards**

“Contrary to conventional wisdom, entrepreneurs are not born, bred and reared”

## INTRODUCTION

In more ways than we currently conjure, entrepreneurs are being produced, and daily from the same mould and urge that produces our nation's leaders and innovators. Differing only in their initial distance and visibility, entrepreneurs, unlike leaders, choose to operate in the shadow of public life. Starting always with a powerful idea, they usually begin with low initial capital. They carry, most of time, low community profiles and occupy positions that avoid political limelight. Yet, they remain very close to the needs of the market they intend to serve. Entrepreneurs are persons with great perceptive skills; mostly doers and practitioners of their art, albeit self-seeking and commercially-oriented.

## BASIC PRINCIPLES

So as to put ourselves in a position to understand fully the concept of entrepreneurship, and how it connects to innovation and leadership. I will begin the journey with a brief overview of some unwritten rules of entrepreneurship.

**First rule** [*about entrepreneurship*] is that the entrepreneur has to engage him/herself in something (*or some activity*) that he/she *has a passion* for. It is a most difficult task to make success of something that you hate or do not really like or believe in.

**Second rule** is that *management and entrepreneurship*, though symbiotic, *are not synonymous*, nor are the two interchangeable in real life. Rarely in history and successful businesses are the two the same persons. Management and managers have to do with the mobilization of people, establishing relationships, bureaucracies, and manning the decision systems to deal with the above. Management and managers create links to improve communications, to negotiate, resolve conflicts and problems. Entrepreneurship, and entrepreneurs, on the other hand, abhors limits and bureaucracy. They deal with ideas, free flowing thoughts and with their translation into action and use.

With no intent to discount or to describe the important functions of managers, I must indicate that management is an economic science and as such it is a necessary complement to entrepreneurship, especially as the entrepreneurship moves further in the value added multiplier chain, and for the response of technology to markets. Management revolves around people and relationships. Thus, it is an inseparable function for growth especially for planning, negotiation, consultations and communication. These activities are time-consuming and to the entrepreneur, and in a way represents averable interruptions. Lengthy communications, negotiations and bureaucracies are fundamental to the manager's daily agenda and require composite skills to be effective and a successful complement to the entrepreneur

Entrepreneurs like to believe that they are simple people - people who feel what they do, and do what they feel. They acquire a knack to see between the lines of obstacles and opportunities, and develop the ability to eke out opportunities from obstacles. Driven largely by their intuition, entrepreneurs do not easily put off by risks. They focus more toward the other end of risk - the rewards. And with focus and drive, usually, they succeed in capturing opportunities and transforming obstacles to their advantage.

Viewed against this backdrop, it is our experience that entrepreneurs hate confinement and they abide by rules and regulations only if they are forced. Management, on the other hand, is rule bound, and highly focused on policy, regulation and administration. Preoccupied with people, relations, structures, communication and decision systems managers make excellent support and complement to risk-takers. Unless trained to make entrepreneurial transitions, managers are happy to remain in management and to build a career and even to entrepreneur under the umbrella of the organization. Functionally, managers help entrepreneurs implement their strategic [business] plans and objectives, at negotiated fees (or salaries). For this reason, managers are not risk takers with their own funds, but might be excellent intrapreneurs where and when they are isolated from the direct business risk.

Entrepreneurs, on the other hand, are business initiators. They develop ventures from ideas and real needs. They are able to perceive needs which free people and markets exhibit. It is this initial seed, idea and vision that *spark the entrepreneurial activity, and once lit with the entrepreneurial spirit, it continues to spark and to generate a life of its own (going concern) with production goods, services or both, to serve the society*. Most entrepreneurs are not usually good at managers. Actually, they tend to very poor in management skills, even for their personal affairs. Those who happen to possess both entrepreneurial and managerial skills are rear persons, in deed and history. Entrepreneurs start enterprises; managers develop and grow them. To grow the enterprise, the entrepreneur must timely make links with trained managers and technicians.

Depending on the complexity of the operation, managers themselves may need additional help, in the form of advisors, and especially in the technology and other fast growing sectors. The key is to know when to make the acquisition or transition. Traditionally, successful entrepreneurs make the link up with management in one of two ways: by choosing a partner, firstly, from within close family or familiar ranks. This pool includes family members, friendly societies, school mates, and so on. When that link proves inadequate, they usually sell the venture. Those more enlightened, employ professional managers, and revert to the board room as Chairperson or President.

**Third rule** about entrepreneurship is that the entrepreneur engages only one option at a time. This does not, in any way, imply that he/she is blind-folded. But, in arriving at his/her decision and option, he/she contemplates the alternatives, and having made a decision, puts all effort and energy in that choice only. He is thus able to focus and to move in one direction with better promise and assurance of success. Having decided to go ahead with the venture, the entrepreneur places a mental block on all other options. In this way the entrepreneur is able to lever his/her attention, energy and resource to nurture and grow the venture to the point where the venture will be able to stand on its own.

This is a solid point. And is the point of departure between leaders, innovators, managers and entrepreneurs. It explains the basic and core difference between leaders, innovators, managers and entrepreneurs. This distinguishing feature is now the object of much interest and research to identify traits and attitudes which toward risk-taking.

*To the entrepreneur, risk is treated, not as a problem but as a challenge. A challenge is defined here as problem that has not yet occurred, as opposed to a problem which is defined as a risk that has actually occurred. Hence, the real entrepreneur spots risks "in transition", i.e., before the risk becomes a problem. Management, on the other hand is more preoccupied with problems and tends to focus skills for problem-solving. Even after the decision is taken to pursue an option, managers continue their pre-occupation with risk as if it were already a problem. Thus, entrepreneurs are better dealing with risks and because they focus more on the rewards of risk and are able to devote maximum energy to succeed the venture, with lesser attention given to failure.*

It is this ability to 'undivide' their focus that produces the characteristic of entrepreneurship and leads to entrepreneurial success. And it is mainly this factor that broadly explains why managers succeed best when someone else carries the burden of risk, what we commonly refer to as "the business risk". In this combination, managers are more comfortable to devote their energies and undivided focus on non-risk or low-risk activities such as marketing, people management and operations management.

In a functional sense, the entrepreneur is driven by survival instincts – i.e. the will to overcome when he perceives there is no or little odds. This is the cutting ammunition of the entrepreneur. Survival instincts seem to work less the more options we add, and even less with security and collateral. Thus, the entrepreneurial drive is inversely correlated to higher level education, personal security and highly correlated with personal skill, talent and experience.

**Fourth rule** of entrepreneurship is *thrift*. This is a necessary personal attribute, not only to build capital through savings, or to build equity and re-investment, but to ease the start-up cost burdens and embed a culture of self-reliance in the venture. Here, the monthly pay check which the would-be entrepreneurs earns or is willing to give up in the normal rat race is not a compelling preoccupation. Nor does the entrepreneur view salary as an important signal of pride and success. To him/her, success is rooted in ownership, and owner of assets, and asset growth, not in the visible material for consumption. His greatest pride comes from being able to out-perform his goals and to outclass his competitors.

**Fifth rule** of entrepreneurship is that there is *no substitute for the entrepreneur*, and *no proxy for hard work*. The 24-hour day has no end only a new beginning, and every minute of time is value.

## ENTREPRENEURIAL SUCCESS FACTORS

Against this backdrop, I will share my study, examination and findings of thirty five Namibian enterprises. The idea was to understand what factors are critical to successful Namibian entrepreneurs and those that lead to failures. The base study was carried out under the Ministry of Trade and Industry “Industrial Upgradement and Modernization Project (IUMP)”. Project interest, among others, was to develop intelligence on Namibian entrepreneurs and entrepreneurial skills especially in rural communities so as to inform and influence public policy, and in particular, entrepreneurial courses and curricula of Namibia's education and training system. The important outcomes of this country-wide study are summarized below:

Namibian entrepreneurs are driven more by Survival  
Instincts than Success skills

### Entrepreneurship creation: Case of Namibia

1. As a new emerging nation, Namibians are in a desperate search and haste for a winning formula to build its entrepreneurial base. Namibian policy environment is perceived by both successful and failed entrepreneurs as being fairly competitive and conducive to the emergence of small entrepreneurs, with only need to address some cultural and exogenous features. These are explained later. Thus, since independence, small and micro entrepreneurs are being encouraged in all sectors. The entrepreneurial process is driven mainly by small business persons. Such persons usually have little or moderate preparation for building competitive ventures. For example, the 1999 KVAP study identified one of the major push factors for entrepreneurial success as **marketing skills**. The second push factor is **survival instincts**. However, the study shows also that entrepreneurs with marketing skills tend to have a higher rate of success than those that are driven only by survival instincts OLE\_LINK1. With entrepreneurs being created by survival instincts, few actually succeed even while economic policy and the business environment are fairly positive. The findings indicate that there is a significant lack of preparation both by the entrepreneurs themselves and also by the policy makers.

Namibian entrepreneurs with market-relevant skills  
achieve better success rates

*Knowledge-based Value added production study (KVAP) was undertaken by the Ministry of Higher Education, Training and Employment Creation in 1999 involving some 75 Namibian companies.*

2. The varied experiences of Namibia's history have, to a large extent, underpinned the resulting dichotomies of poverty and wealth, directing indigenous entrepreneurs into politics and craft with little capacity to connect or sustain inter and intra-sectoral links beyond start-ups.

Predominantly, most small entrepreneurs tend to reside for long periods at the first level of the value chain, in which the factor of production is limited to labour. Thus, entrepreneurial activities tend to congregate mostly around trading, and often built on single source individuals, and on supplies with high import content, which in turn leads to low or no local resource addition. As the major factor input, human time is often either poorly compensated or highly inflated to balance the unrealistic expectations of wage and profit.

Namibian entrepreneurs who are aware of costs, and value time enjoy higher success and survival rates

3. In this global scenario, **time** and human energy (*as the major added resources*) are hardly ever properly costed, coordinated or compensated in the real business sense. The resultant impact on the price and productivity of "local products" from the small entrepreneurial ventures bears little factual relation to free market realities, and in turn, hinders sales, turnover and growth of existing and potential entrepreneurs.

Namibian entrepreneurs who develop linkages and alliances early are more likely to survive and succeed in

4. The entrepreneurial insights and the visible expressions tend to generate little or no logical links between entrepreneurs and among local business ventures, with the result being more and more of the same products and services. This latter fact is a great impediment to realizing potential capacities of the various sectors and contribute the major a blockage to Namibia's value chain development and job creation. No doubt, future policy will need to focus more technical assistance and incubator support to this sector to avert foreseeable consequences on indigenous businesses and job creation options.

Namibian women entrepreneurs show better chances and potential to succeed in small and micro businesses than male counterparts

5. In the Namibian setting, women have consistently played a dominant role in mobilizing and monetizing the economy. They have succeeded in winning men's attitude and sympathy toward their emerging acumen and entrepreneurial talents. This is particularly obvious in the micro, informal and self-operated ventures. Evidence from the recent knowledge based value added study indicates that women do "their thing" with little fanfare, often in great uphill climb, to access equity capital, working capital and technical assistance.

Namibian male entrepreneurs show better survival and success rates in owning medium size ventures if they have had exposure and experience in large domestic, international businesses

*Undertaken by the Ministry of Higher Education, Vocational Training, Science and technology, 1999-2000*

6. On the other hand, the study show that men traditionally have been contributing the bulk of entrepreneurial talents, although since independence there is noticeable shift and focus to mid and larger-scale enterprises. Notwithstanding this fact, the evidence is that the switch is not always accompanied by the competitive and comparative skills to assure sustained success beyond the jump-starts.
7. As the economy continues to liberalize the dimension of the dilemma will be increased if actions are not taken urgently to address the gaps in venture capital, skill levels, production culture, productivity, mentoring, incubation and practical work experience.

Namibian entrepreneurs seem to be overtly reliant on government and official contacts for their initial success even though this practice often proves to be a negative factor for their competitive survival

8. In the Namibian business setting, as it is in many developing and emerging economies, small and medium entrepreneurial undertakings are highly misunderstood by banks and even government development agencies. These institutions tend to apply standard benchmarks. They gauge and treat small enterprises as they would with managerial assignments, with the result that the enterprises are either shunned, or overloaded early in their life cycle with high capital and domestic cost burdens as overheads.

Namibian entrepreneurs with high rates of success use trade credit more than commercial loans

9. On the other side of the coin, the small venture tend to forget that they are small and develop high early profit expectations and sometimes early financial draw-offs. Even, in cases where the entrepreneurial prospects and growth potentials are excellent, financial over-gearing, commercial capital and management charges have put unnecessary toll onto the enterprises, forcing them into early recoil or pre-mature death.

## CONCLUSION: first set

1. Entrepreneurs are bred daily in the Namibian environment mainly by *survival instincts*. *The resulting activities, though varied, are mainly kept alive by the resourcefulness of their initiators, and by the absence of consumer options.*
2. “Namibian entrepreneurs operate mostly in the small and medium size categories. Women tend to be more successful in the small and micro enterprises where as men tend to be more successful in medium size firms. *Like young rooting plants, Namibian entrepreneurs need to be nurtured, at least initially to grow. Policy, though essential, is not a sufficient determinant for entrepreneurial success. Namibian entrepreneurs need more skills, understanding and re-training for them to be re-generative and add value. If an entrepreneur is not growing or regenerating, the vital spirit to grow will eventually wither and die*”. E. S. Taylor: “Creative Visioning – Essence of Public Policy and Private Entrepreneurship”.
3. Women constitute the bulk of entrepreneurial talents in Namibia’s micro, informal and small scale sectors. They achieve this status with face great difficulty and more focused attention is needed to facilitate access to technical assistance, equity and sweat capital, and not so much commercial capital as most researchers seem to be projecting. The challenge of building and growing small entrepreneurs is to encourage thrift right from the start and consequently, avoid, avert over-burden in commercial costs, as would be required for external premises, paid professional managers, and so on.

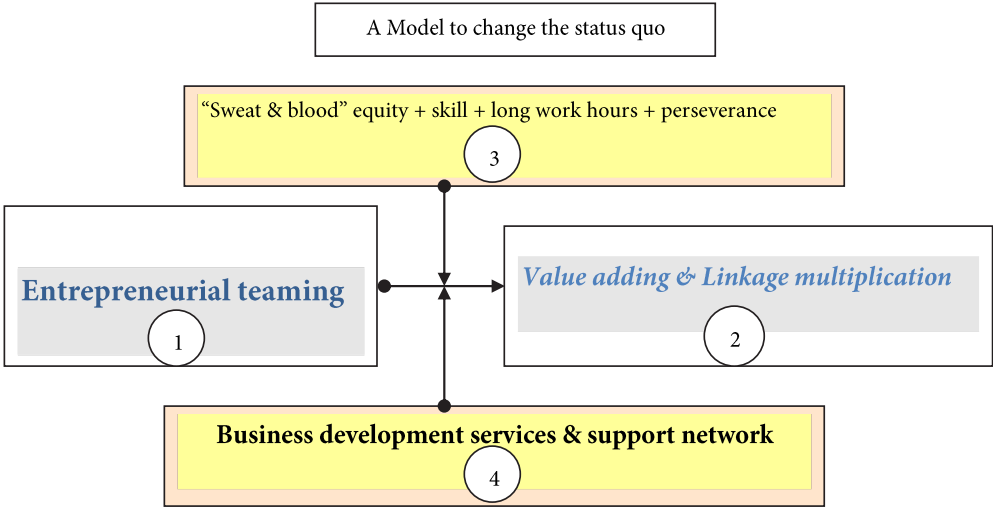
## SKILLS TO GROW ENTREPRENEURS

The options to grow entrepreneurs in Namibia pose much greater challenge to policy-makers and planners than just the provision of capital and debt financing. That is why many emerging and newly industrialized countries (NICs) have advanced the incubation concepts. To grow entrepreneurs in competitive market environments requires much more than the promulgation of good economic, industrial and fiscal policy or good economic infrastructure. They have to be trained with market-relevant skills and service-relevant attitudes. Managers have to be encouraged and supported to move out of “big businesses” once they have acquired sufficient skill, knowledge and experience and government needs to build business confidence through positive statements and consistent public practices.

Unless policies and infrastructure promote and provide opportunities for linkages, entrepreneurs will not grow. Growing entrepreneurs require care, nurturing, positive and helpful attitudes of banks, governmental agencies, larger businesses; and generally, a higher level of tolerance from the society at large. Small entrepreneurs develop their ventures with caring support, training, education, market research, market intelligence, and well executed program of mentoring and motivation:

Many promising entrepreneurs never made it to success. Most fail to grow and eventually die. This failure to grow is not necessarily a reflection of their vision or commitment, nor a denial of existing public policy/ It has more to do with the many gaps that exist in the third set of requirement: - sweat and blood equity, venture capital, long work hours, personal productivity, business-friendly advisories, and supporting network of services and firms:





Entrepreneurs are people who with uncanny ability to spot opportunities in any environment. However, the environment must be conducive for them to grow and different from those that encourage start-ups. If the entrepreneur is to use means available to pursue his/her opportunity and to convert it into real value, the society, which must be the ultimate beneficiary, must share in some aspects of the development exercise. While there is no guarantee that a business venture will be successful, the odds are, that with necessary personal effort and skill, entrepreneurial commitment and adequate business support services, success is the inevitable end result.

Most entrepreneurs [initiator-type] have the capacity to “stay” and desire to steer and grow the venture. With well-woven education and training system, small enterprises will grow, with viable roots. Some, [and I would dare to say, most] are not inclined to take on partnerships or equity swap for management and technical skills to fill missing gaps in process, management and marketing. This is a terrible, and often recurring mistake.

In the absence of “family and familiar connection”, other options to fledgling entrepreneurs attract “venture capital” and strategic partnerships need to be open and explored. In some countries, governments and parastatals take on catalytic and strategic roles as start-up or transition partners, bring needed equity capital, management advice, management information systems and providing mentoring. They exit as soon as private venture capital is available and use the proceeds to help others in similar situations.

Bearing in mind the fact that entrepreneurial activities, and especially from the small scale sectors, account for the majority of jobs and a significant proportion of GDP in most countries, including the United states of America, this study also seeks to address new models to grow entrepreneurs from start-ups through the various transitions. To this end, this paper has devoted some thoughts on how national, regional and development planners could promote alternative routes to starting and growing entrepreneurs.

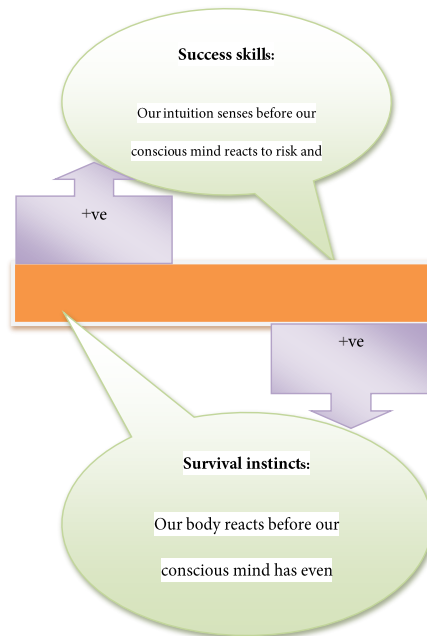
Models one and two in the annex below show the routes to overcome the various challenges that face countries and entrepreneurs in their search and quest for entrepreneurial expression and growth.

Models three and four show the routes which countries and entrepreneurs have used to take advantage of opportunities and to express their entrepreneurial skills and ideas.

## CONCLUSION: SECOND SET

- It takes more than good intention, good public policies or good economic infrastructure to grow entrepreneurs. It takes sweat and equity, venture capital, long work hours, and business-friendly support network and services.
- Entrepreneurs are not, and do not need to be, the most educated persons in the country but they need to be live energetic, creative, innovative and positive.
- To move an entrepreneurial activity into the innovation and regeneration phases (invention/creation), know-how is critical and a purposeful education and training scheme is invaluable – what I call the (“R, U and I”) in the entrepreneurial model. Know who is important to start an enterprise but it is not sufficient to grow and to enable it to compete in a free market system.
- There is a tendency for Namibian entrepreneurs to be “lone rangers” and to avoid alliances and networks as long as possible. This situation often leads to the unnecessary and untimely demise of enterprises. Over the last four to five years the trend seems to be changing slowly with a new class of emerging entrepreneurs.

*Figure 1: Characterization of Survival Instincts and Success Skills*



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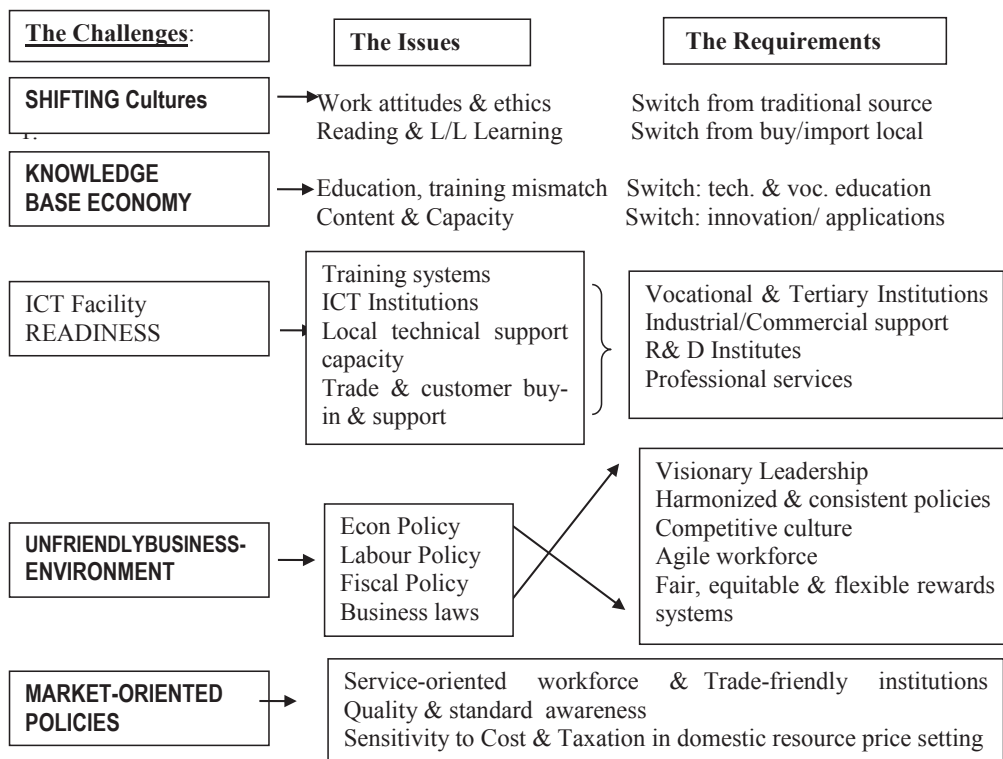
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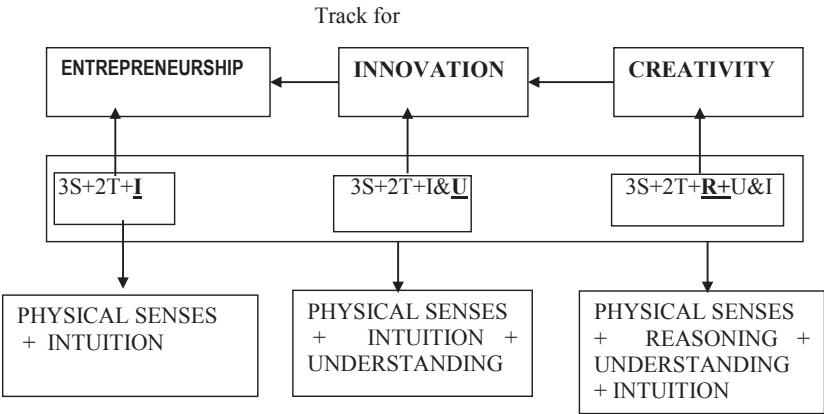
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## ANNEXURE: 1 HONING LOCAL ENTREPRENEURS FOR INNOVATION AND RE-GENERATION

### Model 1:



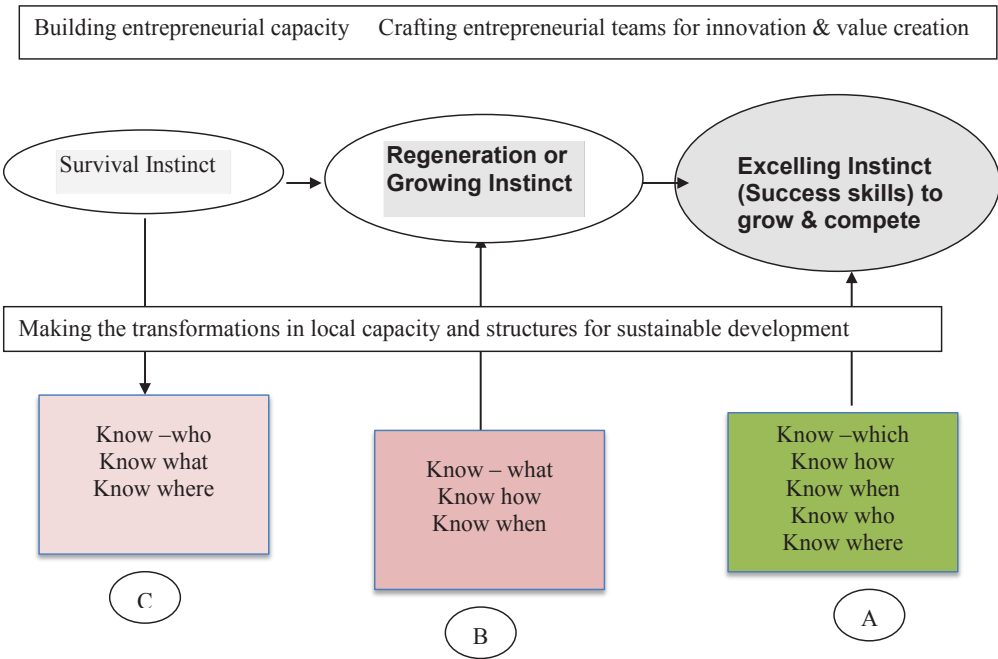
Model 2: Stimulating value creating & multiplier development



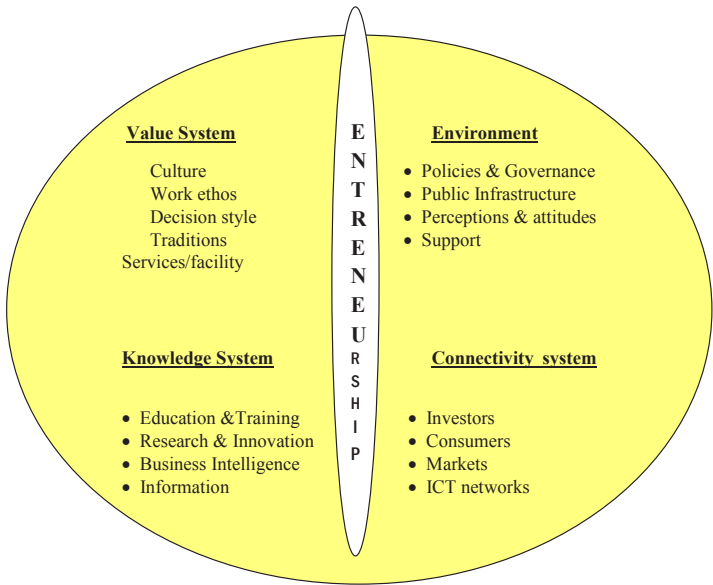
Keys: R,U & I are termed “the higher senses” for Reasoning, Understanding and Intuition

Model 3: Generating opportunities to impel/compel indigenous entrepreneurial growth

The Opportunity



**Model 4: Balancing Influences on Entrepreneurship Growth**



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