AN INVESTIGATION OF THE CHALLENGES FACED BY THE SMALL AND MEDIUM ENTERPRISE CONTRACTORS IN THE CONSTRUCTION INDUSTRY OF WINDHOEK

A THESIS SUBMITTED IN PARTIAL FULFILMENT

OF

THE REQUIREMENTS

OF

THE MASTER OF BUSINESS ADMINISTRATION MANAGEMENT STRATEGY DEGREE

OF

THE UNIVERSITY OF NAMIBIA

BY

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MAY 2022

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ABSTRACT

This study investigated the challenges faced by small and medium-sized enterprises (SMEs) contractors in the construction industry of Windhoek. The study seeks to establish the challenges that SMEs are faced with on a daily basis. A quantitative method was used to obtain data from the owners of SMEs and the Site Foreman, utilising the survey design, which suggests the collection and analysis of quantitative data. The study revealed that SMEs in Windhoek are challenged by internal and external factors that mostly emanate from financial problems caused by limited access to finance, delayed payments from clients, and high competition that leads to low profit margins, low profit margins, and high cost of material, tools, labour, and machinery. The factors mentioned were the key factors that hindered the operations of SMEs in the construction industry in Windhoek. SMEs survived by advancing business strategies such as joint venture partnerships, acquisitions, subcontracting, and vertical integration, obtaining tenders, being able to provide mandatory documents required by clients, and lowering tender prices in order to increase the likelihood of obtaining tenders. It is therefore recommended that the government must introduce financial and contract conditions training and the financial assistance given to SME contractors must be different from current commercial bank conditions. Clients must pay SME on time. Furthermore, further studies can be conducted to find out the best strategies that can be implemented to ensure the growth and survival of SMEs despite the challenges they face.

Keywords: Challenges, SMEs, Construction

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LIST OF ABBREVIATIONS AND ACRONYMS

AA	Affirmative Action
BEE	Black Economic Empowerment
BOQ	Bill of Quantities
CIDB	Construction Industry Development Board
CIF	Construction Industry Federation of Namibia
CPGS	Centre of post graduate studies
GDP	Gross domestic product
GRN	Government of the Republic of Namibia
MSME	Micro, Small and Medium Enterprises
OECD	Organization for Economic Co-operation and Development
SBCGS	Small Business Credit Guarantee Fund / Scheme
SME	Small and Medium enterprises
UREC	University Research Ethics Committee

ACKNOWLEDGEMENTS

I would like to praise and give thanks to the Almighty God who permitted and gave me strength and courage to conduct this study.

A special thanks goes to my husband, children, parents, and siblings for affording me an opportunity to further my studies despite my busy schedule at home. Your emotional and financial support has finally paid off.

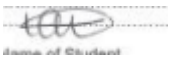
I am particularly grateful to Dr. Moses Chirimbana, my supervisor for his patient guidance, fervent encouragement, and useful critiques of this research work during its development to completion. His willingness to give his time so generously has been very much appreciated. I will be eternally grateful to my colleagues and classmates who assisted as well.

Thanks to the SME contractors for participating in the study and giving an insight into the challenges they face, as this may help policy makers improve the situation.

And lastly, my employer, who afforded me a chance to work there and gave me a salary that paid off my studies.

DECLARATION

I, Katrina (Uudhila) Thomas, hereby declare that this study on an investigation of the challenges faced by SME contractors in the construction industry, Windhoek, is a true reflection of my own research and that this work or part thereof has not been submitted for a degree at any other institution of higher education. No part of this thesis may be reproduced, stored in any retrieval system, or transmitted in any form or by any means without the prior permission of the author or the University of Namibia. I, Katrina (Uudhila) Thomas, hereby grant the University of Namibia the right to reproduce this thesis in whole or in part in any manner or format which the University of Namibia may deem fit for any person or institution requiring it for study and research, provided that the University of Namibia shall waive this right if the whole thesis has been or is being published in a manner satisfactory to the University.

Katrina (Uudhila) Thomas		20 May 2022
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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Outline of the study

Small and Medium-size Enterprises (SMEs) satisfy a significant role in the long-term growth and development of the economy of the country as a strong SME base has the ability to produce a high-quality infrastructure for the country (Adendorff, Appels, & Botha, 2011). However, with the construction process itself and large number of parties involved in the construction project, the clients, users, designers, regulators, contractors, suppliers, subcontractors and consultants, the industry is getting more complicated (Mahamid, 2016). These factors melt down small to medium enterprises (SME) and render them ineffective in administration of construction processes, which then results in SME contractors not able to match with growing demands of stakeholders and end up collapsing (Offei, Kissi, & Nani, 2019).

Completing building construction projects on schedule remains a challenge in Namibia, particularly for small and medium-sized enterprises (SMEs) contractors. This study investigated the challenges faced by SME contractors that hinder them from completing their construction projects within the contractual period and render them ineffective in the administration of the construction process. The study is conducted on SME contractors that operate in Windhoek. This chapter presents the background of the study, statement of the problem, research objectives, research questions, significance of the study, limitations of the study and delimitation of the study.

1.2 The Background of the study

The major component of the national development budget is infrastructural development. Medium term expenditure for the financial year 2021/2022 indicates that infrastructural development was allocated 41% of the total development budget of N $5.6 billion for the provision of infrastructure in various government sectors. In developing countries such as Namibia, the construction sector is critical to the economy, and a large number of people, particularly the unskilled and semi-skilled, rely on it for work and a living (Links &Haimbodi, 2011). Physical infrastructure is imperative in the nation's economy as it forms the network that facilitates goods and services to be distributed (Offei, *et al.*, 2019). The Ministry of Works and Transport in Namibia has a mandate for infrastructure development and maintenance, as well as state asset management.

According to Nevonga (2017), the construction industry in Namibia highly depended on the Government for projects. The study done by Zinyoro (2014) on government projects revealed that the success rate of contractors working for government projects is 58% for large projects, 38% for medium projects and 21% small projects. It was further interpreted that large projects have the value of above 60million, mid-sized projects are 20million-60million and small projects less than 20million that. In Namibian government projects are challenged with the execution of small and mid-sized projects that are normally reserved for local contractors (100% Namibian contractors and SMEs). It must be noted that for Namibia to attain a world class infrastructure with local contractors, the capacity of the local contractors needs to be strengthened enough to enable them to serve the required demands in the Namibia construction industry. SMEs are considered to be drivers of growth in developing countries like Namibia. Despite their significant contribution to

the economy, SMEs in construction industries are faced with numerous challenges that inhibit their business performance (Aigbavboa &Thwala, 2014).

The presidential town hall meetings conducted in 2019 in all 14 regions of Namibia by His Excellency Hage G. Geingob, accompanied by his ministers and advisers, concluded that there were a number of abandoned and uncompleted capital or developmental projects (Mutorwa, 2020). The region with the highest number of abandoned, incomplete projects was the Khomas region, mainly in Windhoek. According to previous studies done elsewhere (Aigbavboa & Thwala, 2014; Offei, *et al.,* 2019), factors affecting SMEs in the construction industry are: high competition when tendering for construction jobs, poor administrative management within the company, lack of skilled professionals, lack of capacity to deliver on certain projects, delay in payment for work done, limited access to finance, and non-payment of interest on delayed payments.

The record shows that 42 government projects were incomplete and abandoned throughout the 14 regions in the country. The regions contribute as follows; //Kharas region 5, Hardap region 2, Khomas region 6, Otjozondjupa region 4, Oshkoto region 3, Ohangwena 3, Kenene region 1, Omasati region 3, Oshana region 2, Kavango west region 2, Kavango east region 5, Zambezi region 3, Erongo region 3 and in Omaheke region nothing was recorded (Mutorwa, 2020). It became imperative to ascertain the key challenges faced by SMEs operating in the Khomas regions, where the highest failure rate 14.3% has been recorded. It will further investigate if these SMEs make business decisions to maintain competitiveness as per the existing theories.

1.3 Statement of the Problem

Construction SMEs are vital contributor to the economic growth as they develop infrastructure of any nation and it's the driving force for the reduction of unemployment and poverty. Despite the importance of SMEs in the Namibian economy, the small builders in the country are still faced with numerous challenges (Shifidi, 2010). This is evident in Zinyoro's (2014) findings that only about 79% of SME contractors that implement government capital projects complete their projects outside the contractual period.

The problem is that SME contractors are faced with challenges that make it difficult for them to complete construction projects. This was a major concern by his Excellency President, Mr. Hage Geingob, after conducting the presidential town hall meeting in 2019 in all fourteen regions (Mutorwa, 2020).

The town hall meeting concluded that there are a number of incomplete and abandoned construction projects in the country in the 14 regions of Namibia. The Khomas region recorded the highest number of abandoned, incomplete projects. This was revealed by the Minister of the Ministry of Works and Transport in the media briefing at Fontenjie fish farm.

This study aims to address the knowledge gap that exists in Windhoek and Namibia in general. Many of the research studies on the construction industry conducted in Namibia were not necessarily on SMEs in Windhoek. For instance, small builders in the construction sector, Shifidi (2010), an investigative study on the growth and success of SMEs in the construction industry in Ondangwa and Ongwediva, Nevonga (2017), etc.

Those investigating SME in Windhoek were not specific to the construction sector alone, for instance an investigation into the causes of SME failure in Windhoek, Namibia (Kambwale, 2015). As a result, there seems to be little or no studies on the challenges faced by SMEs in Windhoek. This appears to be a problem and hence, the need to investigate the challenges faced by SMEs in the construction industry in and the way they compete for success using marketing strategy.

1.4 Research questions

The study sought answers to the following research questions:

1. What are the challenges faced by SME contractors that operate in Windhoek?

2. What strategy could be implemented to improve the SME performance in the construction projects in Windhoek?

1.5 Significance of the study

It is anticipated that the findings of this study will add to the literature about SMEs in construction industry practices that work or advance better practices that educators might try in their educational setting. Furthermore, it can provide information to the government of the Republic of Namibia (GRN) and SME contractors in addressing the impediments that are hindering the performance of the SMEs in the construction industry in Windhoek.

1.6 Study limitations

The questionnaires were emailed and sent via Whatsapp to the respondents. As a result, the SME contractors pay little attention to the questionnaire. The researcher followed up

with a phone call or text message and/or hand delivered the questionnaire to the participant. Another limitation was the sampling method used, convenient sampling. This method can induce bias. The researcher tried as much as possible to distribute the questionnaire to contractors that were unknown to her and listed in the Construction Industries Federation of Namibia directory.

1.7 Delimitation of the study.

The study was limited to the SME contractors that operate in Windhoek.

1.8 Chapter summary

Chapter 1 presented the background of the study, statement of the problem, research questions, significant aspects of the study, limitations of the study, and delimitation of the study. The next chapter, Chapter 2, entails an in-depth literature review of the study.

CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

This chapter provides an overview of the existing literature on the challenges faced by SMEs and the way SMEs use the strategic plan to survive. The definition of SME was presented first, followed by the definition of the construction industry, the theoretical framework, Windhoek as the focus area, an overview of construction in Namibia, challenges faced by SMEs in the construction industry, how do these SMEs compete for success, strategies to be implemented to improve the SME performance in the construction industry, and lastly, the chapter conclusion.

2.2 Definition of "Small and Medium Enterprises"

According to the National Policy on Micro, Small and Medium Enterprises in Namibia, MSMEs are defined in terms of the number of employees and annual turnover (Ministry of Industrilialisation, Trade and SME development, 2016). The table 2.1 below highlights the criteria for MSMEs categories as per the national policy.

Table 2.1: National Policy Criteria for MSMEs Categories

Category	No. of full-time employees	And/or	Annual turnover (N$)
Micro-enterprise	1 to 10	And/or	0 to 300,000
Small enterprises	11 to 30	And/or	300,001 to 3,000,000

Medium enterprises	31 to 100	And/or	3,000,001 to 10,000,000

Similarly, the Organization for Economic Co-operation and Development (OECD) (2019) categorized enterprises according to the number of people employed. In micro enterprises (fewer than 10 employees), small enterprises (10 to 49 employees), and medium-sized enterprises (50 to 249 employees), Large enterprises employ 250 or more people. Although both OECD and national policies on MSME categorize enterprises using the number of employees, the number of employees in each category differs.

Meanwhile, Ogbokor and Ngeendepi (2012) have defined SMEs in economic and statistical terms as follows: the enterprise is small economically if it is managed by owners with a relatively small market share and it is not part of a large enterprise. while statistically quantifying the small firm's contribution to GDP, employment, and exports, comparing the extent to which that contribution has changed over time, and comparing the small firm's economic contribution across countries."

2.3 Definition of the construction industry

According to the government gazette, the construction industry is defined as "the industry in which employers and employees are associated for the purpose of constructing, altering, renovating, repairing, or demolishing any building, road, irrigation work, or similar work in the course of construction, alteration, renovation, repair, or demolition and shall include all work incidental thereto or consequent thereon" (Ministry of labour, industrial relations, and employment creation, 2018, p.7). Construction firms build industrial, commercial,

civil, institutional, and residential structures as part of their daily operations (Construction Industries Federation of Namibia, 2021). In practical terms, a construction project is the sum of planned activities, material or otherwise, of an organization to convert an idea or a design for engineering or construction work to fulfill human or economic needs within the limits of quality, cost, and duration (Safa, 2015).

Construction industry projects involve complex packages of work for which design and contracting organizations are responsible, as well as a number of internal and external stakeholders. The product is typically large and constructed with a variety of materials, equipment, and labor; discrete and prototypical (Sunke, 2009). These firms include multi-national building and civil contractors and SMEs, and incorporate specialist trades such as electricians, joiners, plumbers, painters, and steelworkers, among others.

According to Offei *et al.*, (2019) in Ghana, both building and civil engineering contractors are respectively classified under categories D1, D2, D3, D4 and K1, K2, K3, K4 by the Ministry of Water Resources, Works and Housing in collaboration with the Registrar General's Department. Thus, the D1K1 class of contractors is regarded as larger firms, whereas D2K2 construction firms are medium-sized firms, and D3K3 and D4K4 are small firms (Offei, et al., 2019). Similarly, in South Africa, contractors are categorised into grades by the Minister of Public Works in terms of the CIDB Act, 2000, and construction SMEs in the lowest level grade of one (1) of the CIDB's National Register of Contractors may only tender for projects up to a value of R200,000.00. In Namibia, however, contractors are not graded (Aigbavboa & Thwala, 2014).

In Namibia, however, the contractors are not yet graded or categorised. Prior to 2015, contractors used to be procured according to Tender Board regulations. Projects worth less than N $20 million are reserved for SME contractors, projects worth $20 million to $60 million are reserved for 100% Namibians, and projects worth more than $60 million are reserved for large contractors (Zinyoro, 2014).

2.4 Theoretical framework

According to Sekaran and Bougie (2016), a theoretical framework is a representation of your ideas about how particular occurrences are related to one another, as well as an explanation of why you feel these variables are linked. This process entails introducing definitions for the concepts or variables in your model, creating a conceptual model that provides a descriptive representation of your theory, and developing a theory that explains the relationships between the variables in your model. This is where the testable hypothesis is developed (Sekaran & Bougie, 2016).

The study adopted the Theory of Business as the theoretical framework or conceptual framework. Peter Drucker was a proponent of business theory, arguing that the expectations upon which the business was built shaped an organization's behavior, which dictated its decisions and the expected business output or result (Drucker, 2017). Drucker (2017) further indicated that the root cause of most business crises is that the assumptions upon which business is built no longer align with reality and not because things are done poorly.

According to Daly and Walsh (2010), an organization exists because someone made assumptions about what they do, how they perform, how they are structured, how they

operate, how they create value and how they get paid for what they do. In addition to that, Teece (2010) states that whenever a business enterprise is initiated, it employs a certain business model that outlines the design or architecture of the value creation, delivery, and capture methods it employs, either expressly or implicitly. The heart of a business model is articulating how the company provides value to customers, entices them to pay for that value, and translates those payments into profit (Teece, 2010).

Construction firms create value for their customers through the construction, reconstruction, repair, or renovation of a building, structure, or work (Shifidi, 2010). By doing so, the industry provides infrastructure, housing, and buildings that are vital for the country's development. As a result, SMEs in the construction industry are in business to make a profit in order to grow and become successful. However, they end up having a shortfall on their project cost due to items they overlooked during tendering. As a result, they abandon projects (Nevonga, 2017). It was reported that the major concern during the 2019 presidential hall meeting was abandoned projects. This is an indication that SMEs in construction are facing business crises.

Most SMEs are challenged in the areas of financial, technical, managerial, plant, and equipment levels (Offei *et al.*, 2019). According to Thompson *et al.*, (2014), the variable that determines whether the business is going to attain its competitive edge is by looking at external and internal factors. External factors are micro and macro-environments. Internal factors are financial resources, technological assets, human assets, and intellectual capital, brands, company image, reputational assets, relationships, and company culture and incentive system.

2.5 Windhoek as the focus area

The Khomas region, where the capital Windhoek is situated, is the area where construction activities are most active and most construction companies are registered (Shifidi, 2010). Windhoek is the legislative and administrative capital, the business centre, and the engine of the nation's economy. It has a population of 400 000 people (City of Windhoek, 2016). The City of Windhoek (2016) further highlighted that the capital's business sector accounts for 52% of national economic output. The main business sectors include real estate and business services, wholesale and retail trade, manufacturing, financial services, construction, retailing, transportation and communication, as well as hotels and restaurants (including leisure tourism).

The presidential town hall meetings conducted in 2019 in all 14 regions of Namibia by His Excellency President Hage G. Geingob, accompanied by his ministers and advisers, concluded that there were a number of abandoned and uncompleted capital or developmental projects (Mutorwa, 2020). The region with the highest number of abandoned, incomplete projects was the Khomas region, mainly in Windhoek.

2.6 Overview of Namibian construction

The major component of the national development budget is infrastructural development. Medium term expenditure for the financial year 2021/2202 indicates that infrastructural development was allocated 41% of the total development budget of N $5.6 billion for the provision of infrastructure in various government sectors. In developing countries such as Namibia, the construction sector is critical to the economy, and a large number of people,

particularly the unskilled and semi-skilled, rely on it for work and a living (Links & Haimbodi, 2011).

The Construction Industry Federation of Namibia (CIF) is the voice of the industry and represents the interests of the Namibian construction industry as an independent, non-governmental body (Construction Industries Federation of Namibia, 2021). It consists of all the stakeholders in the construction industry, ranging from building and civil contractors and building material suppliers to specialists such as plumbers, electricians, joiners, painters, and steel workers.

In construction, most work is obtained through bidding, and this process is often competitive because many companies have the capacity to carry out the work (Nevonga, 2017). According to the Construction Industries Federation of Namibia (2021), the client or employer is either a public entity or private sector, other stakeholders in the construction industry, ranging from building and civil contractors, building material suppliers and consultants, to specialists such as plumbers, electricians, joiners, painters, and steel workers. The employer is the client or promoter, and is the one who commissions the work and pays the design and construction costs (Nevonga, 2017).

Among the factors that affect the choice of the contractor or the service provider by the client, price is considered the most influential factor, followed by professional knowledge and work capacity (Construction Industries Federation of Namibia, 2013). Further, the Construction Industries Federation of Namibia (2013) further indicated that reputation and being a Namibian company are still considered the least influential factors. As such, small

contracting businesses perceive this process as a thorn in their flesh, as they often lower prices or keep prices as low as possible because they want to win tenders to beat competition from other companies (Shifidi, 2010). Therefore, the growth and success of SMEs depends on obtaining projects and complying with the terms and conditions of the bids and requirements of the jobs they are awarded **(**Nevonga, 2017**).**

Small and medium enterprises in this industry are mainly owned by black and colored Namibians (Shifindi, 2010). Although coloureds are considered excellent builders, they rarely obtain public tenders, so they decide on small and medium-sized private tenders (for instance, larger houses in high-end areas such as Auasblick, Olympia, Klein-Windhoek, and Eros) and the majority of small and medium-sized public tenders are awarded to black-owned enterprises (Shifidi, 2010).

After the project is awarded, the contract administrator may be the project architect, but could also be the lead consultant, the cost consultant, a specialist consultant, a client representative or employer's agent, the project manager, or an engineer. The quality of work, cost, and timely completion are used as standards to measure the performance of construction projects (Mahamid, 2016). Therefore, the quality of the work is related to the full compliance with the conditions of the contract and the specifications specified in the contract documents during the execution of the project (Kulemeka, *et al.*, 2015).

2.7 Challenges faced by SMEs in the construction industry

Small and medium enterprises around the world are faced with different challenges, but the common problems seem to be financial and entrepreneurship. They have unique properties that influence structuring, organizing, and management methods. Although

small construction companies make a recognized and important contribution to the economy in terms of employment, the challenges these companies face can be daunting (Offei *et al.,* 2019). It was pointed out that underdeveloped economies often have a different impact on construction compared to developed economies (Kulemeka *et al.*, 2015). Therefore, for the purpose of this study, only challenges and factors affecting SME contractors in developing countries were reviewed.

Construction is perceived just as another business venture of interest that involves quoting for work, managing staff, contracts, and growing a customer base, while balancing the books and more (Aigbavboa &Thwala, 2014). On the contrary, there is more to it than meets the eye because of the complexity of the construction industry. And henceforth, the reason SMEs are unable to grow from their initial categories of registration is that most of the owners and managers of SME firms do not have the technical know-how to run the business. Kulemeka *et al.* (2015) argue that a project is sustainable when the three dimensions of sustainable development, namely respect for the environment, social integration, and the social economy, keep cost, time, quality, and performance within acceptable limits.

2.7.1 Challenges in other developing countries

Challenges were classified as environmental factors, material and equipment factors, design and documentation factors, professional management factors, people factors and cost factors (Mahamid, 2016). Environmental factors include wastes around the place, public exposure of the project, project location, site conditions, weather, social and cultural impacts, project complexity. While material and equipment factors consist of

inappropriate/misuse of material, poorly scheduled delivery of material to site, poor quality of materials, equipment shortage, poor storage of materials, poor equipment choice/ineffectiveness. When it comes to design and documentation factors, design changes, poor quality site documentation, slow drawing revisions and distribution, unclear specifications, poor design, unclear site drawings supplied. Professional management factors are made up of poor planning and scheduling, poor site management, poor resource management, poor communication among project participants, slow in making decisions. People factors cover poor labour productivity, lack of subcontractor's skill, lack of contractor experience, lack of labour experience, belonging to work, lack of trade skill, poor distribution of labour, supervision too late, too few supervisors/foremen, employee's motivation, too much overtime for labour, inexperienced inspector. Cost factors (payments delay, availability of finance management and plans, cost of rework, escalation of material prices, market conditions, differentiation of currency prices, profit rate of project, high interest rate charged by bankers on loans) were the performance factor that were investigated

According to Muhamid (2016)'s findings in Saudi Arabia, the most significant factors affecting the performance in construction projects as indicated by the client were; poor communication among project participants (professional management factors), secondly, poor labour productivity (people factors), and thirdly, poor planning and scheduling (professional management factors), respectively. The results obtained from the contractors indicate that the most severe factor is payment delay (cost factors), followed by escalation of material prices (cost factors) and poor labour productivity (people factors), respectively. It can be deduced that the contractor and the client view the projects from

different angles and their expectations, apart from completing the projects, were different. They found the contributing factors to be poor planning and scheduling and poor site management (which are professional management factors), and payment delay (cost factors) (Mahamid, 2016). The consultant's findings are partly those of the client and the other portion are from the contractors.

Although cost, time, and quality are the prime factors for project management success, underperformance of construction projects is a global phenomenon, and the Malawian construction industry is no exception. High lending interest regimes offered by financial institutions, stringent conditions for accessing capital, currency fluctuation, stringent requirements for obtaining bonds, and high taxes were the critical factors impeding the performance of small and medium-scale contractors in the Sub-Saharan region; a case study of Malawi (Kulemeka *et al.,* 2015). Kulemeka *et al.,* (2015) further state that these results lay the foundation for further understanding of inhibitors on the performance of small and medium-scale contractors in an evolving world which is being impacted by global factors and punctuated by sudden changes. However, factors like quality of work, time control, tender responsiveness, and tender estimation were studied too, but there were no significant results.

Substantial factors that affect the capacity of the Ghanaian SMEs building construction enterprises were largely clustered as technical and managerial factors, procurement-related factors, financial related factors and project-related factors (Offei *et al.*,2019). Offei *et al.,* (2019) further indicated that factors are delay in payment for work done, limited access to finance, non-payment of interest on delayed payments and lack of fair competition.

Challenges faced by black owners The SMEs in South Africa studied were; lack of managerial skills and planning, lack of access to work opportunities, prolonged economic recession, lack of financial skills, competition, incompetent employees, lack of business skills, lack of sound technical skills, lack of pricing skills, loss of skilled personnel, and shortage of skilled employees (Aigbavboa & Thwala, 2014). Findings revealed that external factors such as high competition when tendering for construction jobs and also internal factors such as poor administrative management within the company, lack of skilled professionals, and lack of capacity to deliver on certain projects were the biggest challenges encountered by the construction companies.

Since emerging contractors are mainly subcontractors, they cannot control the flow of funds and are completely dependent on the general contractor and the developer. As such, poor cash flow and delayed payments are also part of the challenges faced by emerging contractors (Balogun *et al.*, 2016).

According to the findings revealed by Aigbaoa (*et al.*, 2018), the major factors impeding the growth of SMMEs within the Zambian construction industry are poor financial control, poor project management, inexperience in tender documentation preparation, poor time management, lack of capital, access to appropriate technology, poor construction practice, and corruption.

Although these findings have a lot in common, it can be observed that there are also metamorphoses when it comes to a specific area or country. To illustrate, in Ghana, construction has a problem with paying contractors on time for the work done (Offei, *et al*, 2019). While Aigbavboa & Thwala (2014) argued that South Africa is experiencing an

economic recession and in Zambia, an element of corruption was detected (Aigbaoa *et al.*, 2018).

The following were found to be challenges in other developing countries other than Namibia; poor financial control, poor project management, inexperience in tender documentation preparation, poor time management, lack of capital, access to appropriate technology, poor construction practice, corruption, poor cash flow, delay in payment for work done, high competition when tendering for construction jobs, poor administrative management within the company, lack of skilled professionals, lack of capacity, limited access to finance, non-payment of interest on delayed payments and lack of fair competition, poor communication among project participants, escalation of material prices, poor labour productivity, poor planning and scheduling, poor site management.

2.7.2 Construction Industry Challenges in Namibia

The Namibian construction industry is no exception when it comes to problems faced by SMEs in the construction industry. SMEs in the construction industry are faced with a variety of problems. In his statement, the Minister of Works and Transport informs the people who attended the site visits at Fonteintjie Fish farm in Keetmanshoop that it was supposed to be the inauguration day of the project, but instead they were gathered to find out why the site was abandoned, delayed, neglected, and not completed (Mutorwa, 2020). This was not the only challenged project, as the main concern discussed in the presidential town hall meetings of the 14 regions in Namibia was the abandoned, delayed, neglected, and not completed construction projects. The Khomas region emerged as the region with

the highest number of abandoned, delayed, neglected, and uncompleted construction projects.

Namibia's construction industry relies heavily on government tenders. Government is the industry's largest customer hitherto (Nevonga, 2017). Zinyoro (2014) looks at the causes of project delays for government projects emanating from the contractors, the consultant, the User Ministries (user client), the Ministry of Work and Transport (project implementing client), market-related issues, and unforeseen events. Findings revealed that the major contributors to project delays were the contractor, consultants, and user ministries (Zinyoro, 2014). Factors affecting the contractors were poor planning and coordination and limited capacity in terms of human, technical and financial resources. While the consultant has poor coordination, poor supervision, and delays in exercising their duties. Lastly, the user ministry delays the project with scope creep, delayed payments, land acquisition problems, suspension, poor budgeting, and poor planning.

Zinyoro (2014) further indicates that government capital projects are not completed on time. especially projects undertaken by SMEs, with a project completion rate of about 21% for small projects and 38% for medium contractors. The rate for large contractors is 58 percent. Though the results show that poor performance was with almost all contractors, SMEs were the worst performers in the industry. This indicates that there is a problem that needs to be investigated. The main challenges leading to project delivery being outside of the agreed schedule, cost, and quality parameters were poor planning and organising, lack of skill, and limitations pertaining to consultants' supervision (Zinyoro, 2014).

Shifidi (2010) confirmed that there are challenges after investigating opportunities, challenges, and support strategies for small builders in the Namibian construction sector. Challenges found were lack of own funds and collateral security, reluctance of banks to finance small firms, time delays in contract payment, poor credit rating, as well as lack of financial records and of advance payment, supplier credit, the nature of construction activities and the environment, tendering procedures, lack of technical and managerial skills, intensity of competition, and lack of support programmes.

Nevonga (2017), indicated that delays in progress payment affect SME contractors financially; as a result, they are unable to honour their financial obligations. This situation drives them to approach the financial institution for temporary overdrafts. In the end, the delayed progress payment cost them a lot of money in bank charges. Consequently, this distresses profitability. Influences that affected continued profitability were: availability of work; availability of projects; competition from foreign companies; labour costs; costs of materials; capital requirements; experienced human resources; and the remoteness of where material needed to be transported (Construction Industries Federation of Namibia, 2013). The majority of contractors registered with CIF indicated that their annual turnover is less than N $2 million (Construction Industries Federation of Namibia, 2013).

Additionally, Nevonga (2017) indicated that SME contractors lack financial discipline. They use company funds for their personal needs. As a result, they strain funds to buy project materials, labour, and other project-related resources. This practice puts them in a position where they are unable to complete the project on time, resulting in the loss of their collateral guarantee as well as their business growth and success.

Another primary cause of SME failure is a lack of management skills due to the fact that the majority of SME owners and managers are not formally or informally educated, with 69.6% of participants having inadequate management skills (Kambwale, 2015).

There is also speculation about corruption being prevalent in the Namibian construction sector, particularly in relation to government contracts (Links & Haimbodi, 2011). However, there is slight evidence to put forward that such is a case. The potential for corruption is significant given the enormity of the sums of money involved in the infrastructure development and upgrading projects undertaken. Eyebrows have been raised in this regard, especially with the award of a number of construction projects, setting current warning bells (Links & Haimbodi, 2011).

From literature, challenges faced by Namibian SMEs contractors were poor planning and coordination, limited capacity in terms of human, technical and financial, poor supervision, delays in consultants exercising their duties, project scope creep, delayed payments, land acquisition problems, suspension, poor budgeting, lack of own funds and collateral security, reluctance of banks to finance small firms, time delays in contract payment, poor credit rating as well as lack of financial records and advance payment, supplier credit the nature of construction activities and the environment, tendering procedures, lack of technical and managerial skills, competition intensity and lack of support programmes, availability of projects; competition from foreign companies; labour costs; costs of material; capital requirements; experienced human resources, the remoteness over which material was needed to be transported and speculation about corruption.

It is evident from literature that developing countries have a lot in common when it comes to challenges faced by SMEs in the construction industry. The aforementioned factors will be replicated in the Windhoek survey to determine whether they continue to be barriers.

Table 2.2:Categorising challenges into internal and external factors

Challenges emanating from External factors	Micro Environment	Competitors, customers, employees, media, suppliers, shareholders	Inexperience in tender documentation preparation by consultants, poor planning and coordination, poor supervision, delays in consultants exercising their duties, project scope creep, suspension, poor budgeting, reluctance of banks to finance small firms, time delays in contract payment, supplier credit, the nature of construction activities and the environment, tendering procedures, competition intensity, availability of projects, competition from foreign companies, costs of material,

			capital requirements, experience in human resources, access to appropriate technology, high competition when tendering for construction jobs, non-payment of interest on delayed payments, and lack of fair competition. Poor communication among project participants, escalation of material prices
	Macro Environment	The economy, political & government factors, sociocultural factors, technological factors, legal factors, demographic factors, ecology and physical environment	land acquisition problems, the environment, the remoteness over which material was needed to be transported, tendering procedures, lack of support programmes, competition from foreign companies; labour costs; and speculation about corruption
Challenges emanating from Internal factors	Tangible	financial resources, technological asset,	Poor cash flow, poor administrative management within the company, a lack of

		human assets and intellectual capital	skilled professionals, a lack of capacity, limited access to finance, poor labor productivity, poor planning and scheduling, poor site management, a lack of access to appropriate technology, a lack of own funds and collateral security, a poor credit rating, a lack of financial records, a lack of technical and managerial skills, and a lack of experience
	Intangible	Brands, company image, reputational assets, relationships and company culture and incentive system.	During tendering, branding does influence awards

2.7.4 The Impact of Foreign Construction Companies on Local SMEs

A questionnaire survey of construction professionals and contractors in Namibia revealed that Chinese construction companies are dominant and have a negative impact on local SMEs (Hallick, 2010). Hallick (2010) further described the influence of Chinese construction companies on Namibian contractors and the bidding opportunities accessible to these local contractors, and analyzed the degree to which Chinese construction companies have conformed to regulations related to the construction industry, just as the interests of the construction industry are related. The findings revealed that Chinese contractors won the bid without meeting the terms of the bidding rules established by the Bid Committee (Hallick, 2010).

According to Hamunyela, Guo and Chen (2020), the expectation was that Namibian companies would partner with Chinese companies in construction, especially on government projects. However, the majority of projects are financed and executed solely by Chinese contractors (Hamunyela *et al.*, 2020).

Although Chinese construction has put a strain on local SMEs in complying with the requirements set by procurement, some positive attributions were observed too, such as diversification (Tjitende, 2015). It was also emphasized that mega projects like Necktal dam and the proposed Walvisbay port expansion require foreign expertise and related financial capacity (Construction Industries Federation of Namibia, 2013). However, foreign companies must have utilised local labour to train and transfer skills to further build the capacity of locals.

2.7.5 Government assistance for small and medium-sized businesses (SMEs)

Nevonga (2010) highlighted that Namibian SME owners do not fully comprehend the role of the government. The role of the government is to stimulate development by generating an environment that is both supported and enabled. On the contrary, SMEs expect the government to be directly involved in the improvement of their enterprise and the SME sector. Nevonga (2010) further emphasised that straight intervention by the government affects market dynamics and defeats the aim of the free market economy. Furthermore, SME's lack of compulsion to the project was mainly caused by SME's sense of entitlement to government intervention.

In contrast, previous studies also show that small building firms are faced with a number of opportunities which include preferential treatment as a result of government policies, big projects to come up in future and access to new markets (Shifidi, 2010). The Government of Namibia is dedicated to ensure economic development and growth for all. That's why they have recognised the thriving MSMEs as instrumental in contributing to job creation and economic growth, and therefore reducing poverty (Ministry of Industrilialisation, Trade and SME development, 2016). As a result, they have updated the National Policy on Micro, Small and Medium Enterprises that aims at creating an enabling environment for MSMEs. This National policy further recommends a re-engineering of the support programmes offered to MSMEs and the creation of an appropriate institutional framework to oversee such programmes.

Taking into consideration the policies and programmes designed by the government to promote the development of SMEs in Namibia, it would appear practical to expect that

SMEs would grow and achieve success. Despite having ways in the country to support small enterprises, they are still faced with numerous challenges (Shifidi, 2010). Nevertheless, the effectiveness of these programmes remains imprecise and the rate of business failure continues to escalate, with the attendant high rate of unemployment. The government is doing its part to control the external environment surrounding SMEs, but the question remains: are the SMEs putting efforts into managing their internal factors so they can neutralise their weaknesses with the strengths and threats they have available?

The constant review of policy changes based on the dynamic characteristics of the industry relying on measures that were effective in the past may not be feasible today. It is vital to continue research in this area, as the small-scale operator sector in the construction industry accounts for the largest proportion of the industry (Kulemeka *et al.*, 2015). However, Shifidi (2010) emphasized that government direct intervention can affect market dynamics and violate the purpose of a free market economy. Consequently, SMEs lacked commitment to the project due to a sense of entitlement to government intervention, as they do not fully understand the role of government.

2.7.6 The Importance of Business Innovation

Business innovation is the way of introducing something new to the company in terms of a new product, a new market strategy, a new method, etc., in order to improve its existing products, processes, or methodologies, or it can create new ones from scratch. The problem with innovation is that failure rates are high, and even successful companies can't sustain their performance. This is due to the fact that companies fall into the trap of

adopting whatever best practices are in trend or imitating the exemplar innovator of the moment (Pisano, 2015).

Innovation in the construction industry can be achieved in the following areas: management of production processes and technological processes; work time organization; product and distribution management; pricing policy management; market communication policy management; marketing management; human resources management; finance management; supplies management; and counterparty management (Staniewski, Nowacki, & Awruk, 2016).

It was recommended that SMEs in the construction industry must advance corporate and business strategies such as joint venture partnerships, acquisitions, subcontracting, vertical integration, and most importantly, diversification of their business and project portfolio (Adendorff, Appels, & Botha, 2011). In addition, the value chain also helps to integrate small firms and the corporate sector and establishes a bond between small firms and international markets through an effective value chain system (Reddy & Vijayachandra, 2014).

2.7.7 Customer Service

Customers are the spark of life in any organization, and feedback on their satisfaction levels is important for all businesses to help identify and satisfy customer needs (Fourie, 2015). Knowledge of customer satisfaction reduces spending for small businesses on marketing to acquire new customers.

More satisfied customers bring more paybacks for SMEs and help them stay alive in the competitive marketplace, specifically in the construction field (Khojeh, Mohseni, & Behrang, 2014). Similarly, a survey among South African SME owners believed their customers were satisfied with their businesses, as the majority of small-business owners collected customer satisfaction feedback verbally on a monthly basis (Fourie, 2015).

2.7.8 Staffing

Construction plays an important role in creating employment opportunities (Offei *et al.*, 2019). SME owners and managers use internal resources to hire staff, and they normally hire friends or family as opposed to utilising external sources and hiring staff with competencies that can outshine their competitors. Internal resources is mainly a personalised management style that does not use effective modern management practices and recruitment methods. Consequently, they recruit personnel who do not have the necessary technical and managerial skills. Moreover, there are inadequate sympathetic institutional arrangements and this has accounted for the stumpy capacity of the indigenous construction firms (Offei, *et al.*, 2019). Furthermore, there is a need for the formation of an agency that will help address issues pertaining to the development of the construction industry.

There is an impression that the SMEs in the construction industry are perceived to have a poor image and discourages students from wanting to work in the industry (Haupt & Harinarain, 2016). Shifidi (2010) indicated that SMEs lack technical and financial skills. Moreover, Mofokeng (2012) found that SMEs in the construction industry have

experience in construction, but they do not have managerial experience or experience to run a company.

2.7.9 Inadequate Time

The Namibian construction industry has been characterized as showing low efficiency, since the completion of capital projects on schedule is below 60% (Zinyoro, 2014). According to Sheng and Hanbin (2014), wasted time and the information flows in these time-wasting events were due to inconsistent information, dislocation, and ambiguity. Zinyoro (2014) argued that user clients contribute to delays due to changes in scope, for instance, changing the functionality of the building. This is because the time between signing freezing documents (the client approving the project scope and the estimate) and the commencement of construction is too long.

2.7.10 Outdated and Slow Business Processes

Due to constant internal and external changes, it is essential to view a company as a living organism that is continuously changing (Harai, Tatic, &Harai, 2018). The main challenge facing small businesses is securing funding from commercial banks due to a lack of securable assets and also a lack of financial growth despite years of being in the industry (Nevonga, 2017).

The study done to examine the effect of the capital budget on acquiring new technology on sales reveals a significantly positive relationship between the capital budget for acquiring new technology and sales (Mallinguh, Wasike, & Zoltan, 2020). However, Mallinguh *et al.,* (2020) stressed that the firm's owner-managers' mindset, attitude, or

perception about financing will affect firm operations, either positively or negatively. Therefore, it is imperative for firms to only implement those innovation programs for which they have adequate capacity.

2.7.11 Reaching out to potential customers

Focusing on customers has become an increasingly key factor for all companies to survive in the global market (Tanti, 2016). With the increased use of ICT and internet, customers are more informed about products and services and hence CRM is a vital tool to keep a constant eye to customers' need and wants to satisfy them better than the competitor.

Important elements in maintaining the relationship between SMEs and customers are trust and the relational commitment of the customer (Tanti, 2016). South African SMEs appreciate that gathering customer satisfaction feedback is significant and the majority of small-business owners collect customer satisfaction feedback verbally, though they do not necessarily have a formal measurement in place (Fourie, 2015).

Nevonga (2017) argued that the Namibian construction industry relies heavily on the government for tenders. Moreover, Zinyoro (2014) indicates that contractors are the biggest contributors to government project delays with poor workmanship. However, the research done by the construction federation industry revealed that factors influencing clients' choice of the services of a contractor or service provider were dominated by price, followed by expertise and ability to do the job. Reputation and being a Namibian company were still reflected as the least influential factors (Construction Industries Federation of Namibia, 2013).

2.7.12 Cash Flow

Cash flow management is of paramount importance to the survival of a business, predominantly small businesses, and poor cash flow management can also lead to small business failure (Aren & Sibindi, 2014). The reasons for the failure of most construction SME firms were that there were no cost and accounting practices and systems in place (Mofokeng, 2012). The other critical issue is the delayed payment from clients of completed work. This always leads to cash flow problems and heavy debt with suppliers (Mofokeng, 2012). Due to unavailability of cash-flow funds, delays in payment leave contractors with no means to undertake the next project, even if they have won a project.

Nevonga (2017) indicated that some SME owners use business funds for their own use, consequently they will have no money to buy project materials, labour and other project related resources. Additionally, the SME owners use business funds for personal use because their books are hardly audited and hence cash flow suffers (Mofokeng, 2012).

Poor workmanship also affects cash flow in the sense that if the building is not built according to the set standards and specifications, the consultant (architect, structural engineer, or electrical engineer) orders the defective work to be demolished and rebuilt, and this is done at the cost of the contractor (Nevonga, 2017).

2.7.13 Personal financial situation

Owners of SME businesses are not able to differentiate between themselves as natural persons and the business as juristic persons. As a result, they use company funds for their

own personal use (Nevonga, 2017). This practice puts them in a situation where they are unable to complete the project on time, resulting in abandoning the project, losing their collateral guarantee, and negatively impacting the growth and success of the business.

2.7.14 Consequences of project delay or failure to complete on time

Construction delays are the major concerns in the construction industry, which are caused by either the contractor or the client (Zinyoro, 2014). Construction delays and duration issues are frequently responsible for contractor losing projects (Khalid, n.d.). (Zinyoro (2014) further states that construction delays normally caused by the client are unreasonable changing project scope, inadequate planning and the absence of risk management systems. Furthermore, the contractor contributes to delay due to lack of resources and poor labour output, these delays are punishable and cause a contractor to delay claims of its subcontractors and face liquidated damage.

2.8 A strategy that could be implemented to improve the performance of small and medium-sized enterprises (SMEs) in construction projects

2.8.1 Market research

In a competitive economy, businesses need to stay ahead of their competition if they are to stay afloat. Speedy changes in the environment generate many problems for organizations and individuals that are characterized by complication of decision-making, the need for timeous action and responding to unforeseen situations.

The foregoing is in the light of strategic implementation that creates the right circumstances within an organization by developing a strategy that supports culture,

creating an effective organisational structure, and motivating employees to contribute to improved performance (Karami, 2007). Strategic management plays a significant role in building up the competitiveness of small and medium-sized enterprises. The study by Bezinová, Brelik, &Kozák (2016) revealed that the majority of examined small and medium enterprises had formulated a strategy that was mainly aimed at stability, and further at quality, development, and profit. Small companies keep an eye on quality and development, while medium-sized companies concentrate mainly on development and profit (Bezinová *et al.*, 2016).

For example, marketing intelligence subsections like internal records, competitor's sales data, marketplace opportunity, competitors' threats, and competitors' risks have significant and positive influence on business competitive advantage that leads businesses to acquire more profit, expand the branch network all over the country, perform better than their rivals in the market, and increase their business competitive advantage (Ade, Mufutau, & Ismail, 2017).

For a business to keep abreast with the sub-construct of marketing intelligence, it needs to perform Strength-Weakness-Opportunity-Threat (SWOT) analysis and also the PESTEL to look at the company's external environment (Thompson, *et al.,* 2014). Market intelligence is a cornerstone of the marketing concept and essential to market-focused strategic planning and implementation that depend on how managers ensure the organization-wide generation, dissemination, and responsiveness to market intelligence remains a persistent challenge (Gebhardt, Farrelly, & Conduit, 2019).

2.8.2. Establishing and earning recognition

The power of brand value is becoming of great importance as it provides a highly competitive advantage by retaining and nourishing customers (Narayan, 2012). Narayan (2012) further explained that brands are considered an asset for a company, which increases their value just like any other business asset; a brand generates revenues for the company.

Corporate branding begins even before the company itself is established and proposes new functions, such as managing branding relationships and making use of feedback to monitor and guide the process (Juntunen, *et al.,* 2010). Advertising through digital channels is acknowledged for its transformative influence on companies and for its immense effect on brand–consumer relationships, as it enables interactions with customers around the clock anywhere (Makrides, Vrontis, &Christofi, 2019). Makrides, *et al.,* (2019) also indicate that word-of-mouth has the main influence on consumers and that there is no such thing as an ideal approach to advertising that can be universally applied, social media ads were realized as the most effective digital advertising type (Makrides, *et al.,*2019). Companies that have confident, memorable brand identities induce emotional connections in customers.

2.8.3 Establishing a digital presence

Digital marketing is renowned for its transformative impact on companies and for its enormous effect on brand–consumer relationships, as it enables interactions with customers at any time and in any place on social media (Makrides, Vrontis, &Christofi, 2019).

Afolabi *et al.*, (2019) assessed ways in which marketing functions of SME construction businesses can be improved through the social media presence of the firms and recommended that, firstly, on the part of construction SMEs, there is a requirement for amplified commitment, optimism, and investment in the direction of social media infrastructure as a business tool. Secondly, on the part of social media developers/actors, it is essential to increase the security of information and provision of social media business metrics so as to quantify the performance of the tool by construction SMEs.

2.8.4 Resource Investing

The four key areas that construction firms lack capacity in are financial, managerial, plant and equipment, and technical skills (Offei, *et al.*, 2019). Offei, *et al.*, (2019) argue that the above mentioned key areas are interrelated and, given that a contractor is financially constrained, it will be problematic for him to purchase the requisite plant and equipment in order to execute his jobs effectively. Nevonga (2017) argued that most SME businesses are hesitant to invest in construction equipment because they fear they might not get tenders after completing the projects that they were doing.

The accumulation of adequate physical and immovable assets is the main requirement for an SME to succeed in the construction business and grow into a large company (Sriskandarajah & Hadiwattege, 2017).

The assets that are required to be improved are annual turnover, Plant and Equipment, and staff assets, and acquiring of these are affected by management issues, lack of finance and motivation, and employees with insufficient knowledge and skills and high cost of capital, inadequate financial structure, changes in the government policies and the political unrest,

and lack of information (Sriskandarajah & Hadiwattege, 2017). Therefore overcoming the identified barriers will enable SME expansion, which will increase construction industry investment complementing the economic development.

2.8.5 Cheaper is not always better

According to the Construction Industries Federation of Namibia (2013), pricing plays an important role when it comes to tender awards. The lower your prices, the higher your chances of being awarded. Shifidi (2010) argues that the lowering of prices during tender is a problem, as the quoted price will not be enough to cater for the project expenses.

High job turnover poses problems for employment security; and small establishments are often exempt from giving notice to their employees. Small firms also tend to invest less in training and rely relatively more on external recruitment for raising competence

2.8.6 Skills improvement

As a result, financial, technical, and managerial skills were some of the skills lacking in many SMEs, affecting their capacities to compete and, ultimately, growth could be improved by the introduction of a capacity-building training programme to strengthen SME capacity and leadership skills to sustain the SME as a business (Sheehama&Shihomeka, 2017).

In addition to that, conscious efforts should be made by the government to address the issues to facilitate building of capacity of the SME construction firms in the country. Furthermore, policy makers should increase the capacity through continuing professional development for the various professionals working under the various infrastructures-

oriented ministries (Offei *et al.,* 2019). Agreeably, Kulemeka *et al.,* (2015) emphasized that without government intervention, small and medium contractors will continue to be unsustainable and their performance will be unsatisfactory. In order to solve the challenges faced by small and medium contractors in Malawi, it is essential that the government must constantly review policies related to the development of small contractors to ensure that they contribute to the success of small contractors.

Apart from the role of the government to promote development by creating an environment that is supported and enabled, other studies have shown positive results on how SMEs can improve themselves by applying strategic management to facilitate their growth and development (Adendorff, Appels, & Botha, 2011).

2.8.3 Business strategy implemented in construction industry

A strategy is a set of decision-making rules for guiding an organization (Ansof, *et al.,* 2019). Strategy is about competing differently and the strategy should evolve over time because of the changing market conditions, advancing technology, unexpected moves by competitors, shifting buyer needs, emerging market opportunities, and new ideas for improving the strategy (Thompson, *et al.,* 2014). The following were the strategies proposed in literature:

1. Government should introduce a capacity building training programme to strengthen SMEs. SMEs lack capacity in terms of technical and managerial factors, procurement related factors, financial related factors and project related factors (Offei, *et al.,* 2019). Government should make an effort to address the four

fore mention factors raised in this paper, to facilitate building of capacity through continuing professional development for the various (Offei, *et al.,* 2019).

2. SMEs can improve themselves by applying strategic management to facilitate their growth and development. SMEs can improve their image through branding. The power of value of a brand is becoming of great importance as it provides highly competitive advantage by retaining and nourishing customers (Narayan, 2012). Acquiring tangible and intangible assets are the main prerequisite for an SME to succeed in construction business and grow into a large company (Sriskandarajah & Hadiwattege, 2017). Apart from lower price and experience, for a contractor to get a tender they need to produce mandatory documents that proves that they pay Tax, social Security and performance guarantees (Nevonga, 2017).

Moreover, Small and medium construction enterprises have unique characteristics that influence the manner in which they are structured and organized as well as the management of SMEs. The SMEs improvement in infrastructure delivery is discussed in terms of managing time, cost and quality during the various phases of project management in the construction industry (Mahamid, 2016). Government direct interventions can affect market dynamics and violate the purpose of a free market economy. Namibian SME owners do not fully comprehend the role of government; they expect the government to be directly involved in the improvement of the enterprise (Nevonga, 2017). However, the role of government is to stimulate development by generating an environment that is supported and enabled (Shifidi, 2010). SME's sense of entitlement to government intervention resulted in lack of coercion to the project. SMEs who did not submit their return to the Receiver of Revenue or failed to register their employees with SSC in terms

of the Social Security Act, will not be able to get tenders/work from the government and as a result their growth and success will be negatively affected (Nevonga, 2017). Due to non-compliance with requirements by the receiver of revenue and the SSC even knowledgeable contractors cannot get jobs, that limit their growth and success (Nevonga, 2017).

1. Strategic management plays an important role in building the competitiveness of small and medium enterprises. A key factor that determines whether an enterprise is awarded a tender is price. A low-cost strategy was used by a Chinese company to penetrate the Namibian construction industry (Shifidi, 2010). As price is such a key determining factor of whether an enterprise is awarded a tender, therefore it is important for construction SMEs to maintain a cost advantage (Adendorff *et al.,* 2011). Moreover, it is imperative to examine in detail how construction SMEs may sustain a cost advantage while still delivering a product that satisfies all the client's needs.

2. Financial training is important to prevent SMEs from falling into financial crises. Majority of SMEs in construction are faced with financial problems, training will enable them to manage their funds according to business principles, thereby preventing them from falling into a financial crisis (Balogun *et al.,* 2016). Therefore, small and medium-sized companies in the construction industry should increase their investment in training management personnel and carry out project planning before carrying out construction on site (Balogun et al., 2016).

3. Clients and main contractors must pay SMEs on time to overcome payment delays. The most critical issue is the delayed payment from clients of completed work, this always leads to cash flow problems and heavy debt with suppliers (Mofokeng, 2012). Delays in payment leave contractors with no means to undertake the next project even if they have won a project due to unavailability of cash-flow funds (Shifidi, 2010). According to Balogun *et al.,* (2016) poor cash flow and late payments are also part of the challenges emerging contractors face. Since emerging contractors are primarily subcontractors, they cannot control the flow of funds, but are completely dependent on the main contractor and the developer. Majority of SMEs in construction are faced with financial problems, it was recommended to pay subcontractors within a reasonable time and provide financial management training for emerging contractors (Balogun *et al.,* 2016). Similarly, Mahamid (2016) recommended that clients are encouraged to facilitate payments on time to contractors to overcome delays and conflicts.

4. SMEs need to hire more qualified staff for their businesses. Small and medium-sized businesses need to hire more qualified staff in their businesses and have construction mentors in place, which can help eliminate some of the factors that currently challenge them, thus reducing the failure rate of small and medium-sized construction businesses in the areas of research interest (Balogun *et al.,* 2016). SME in construction: getting a tender depends on the ability to provide the required collateral guarantee, performance guarantee, employ qualified

bookkeepers or qualified financial accountants to reconcile the company's financial records, and be in good standing with the receiver of revenue and the Social Security Commission (Nevonga, 2017).

SMEs must pay attention to competitive market activities and use large enterprises supply chain management strategies when developing business strategies. Adendorff *et al.* (2011) suggest that, although the majority of construction SMEs perform poorly, some have the prospective to grow and develop into more reputable entities by taking the initiative to manage their firms strategically. In addition, there are many advantages for SMEs that adopt strategic management principles at the organizational level and that SMEs that practise strategic management perform better. Trung & Belihu (2010) argues that communication is a key tool to ensure efficient supply chain cooperation, and SMEs attach great importance to it. Trung & Belihu (2010) further says that companies pay attention to competitive market activities and use large enterprises supply chain management strategies when developing business strategies for SMEs.

5. Government should introduce a capacity building training programme to strengthen SMEs capacity and leadership skills to sustain SMEs as a business. SME lacks capacity. The government of Namibia has introduced Black Economic Empowerment (BEE) and Affirmative Action (AA) policies, and also joint ventures with Chinese operators in an effort to increase the scope of small companies, although progress is slow (Shifidi, 2010). SME owners and managers should be trained through SME training centres set up by the government to be developed to gain management skills (Kambwale, 2015).

The conditions of contract to be translated into local languages and made available at a cost, so that all SME owners can be able to read and understand the conditions of contract Apart from what SMEs can, to improve themselves, Nevonga (2017) recommended that strategic actions that need to address the problems faced by the SMEs construction companies in the construction industry in Namibia, is for the conditions of contract to be translated into local languages and be made available at a cost, so that all SMEs owners can be able to read and understand the conditions of contract.

This is because SMEs owners in the construction industry have not seen or read the International Federation of Consulting Engineers (FIDIC)'s condition of contracts. And hence were not conscious of their rights and obligations as prescribed in FIDIC, as a result it limits their growth and success (Nevonga, 2017).

6. SME need financial assistance with conditions different from commercial banks' conditions. The SME contractors who intend to borrow money from banks are obligated to give a collateral guarantee equal to at least 50% of the amount to be financed. Although access to finance is widely perceived as the biggest problem, there are many different (private, commercial, and public-sector-supported) sources of finance from which contractors have to choose. The range is widening, but many operators are not well informed about the opportunities and how they can utilise them (Shifidi, 2010). Proposed ways of addressing financial challenges

include establishment of funds, financial management and access to funding and improving payment for contract work (Shifidi, 2010).

2.9 Chapter summary

An overview of the current literature review primarily focuses on the various factors affecting the performance of SMEs in construction and strategies that SMEs can use to improve performance. The following stage discusses the research methodology used in the investigation.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods used in this study. The research method part focuses on the explanation of the research philosophy, the research strategy, and the choice of a specific strategy. It also defines the target population, the sample size, and the sampling method used. This chapter covers the research tool narrative and tool content, pilot research, management, and collection of questionnaires. This section highlights the validity and reliability of the research and will also describe how to collect or generate data and how to analyse it.

3.2 Research Design

Research design is the overall strategy selected to integrate different components of the study in a comprehensible and logical way, in so doing, ensuring that the research problem is effectively addressed (Cresswell & Cresswell, 2018). It constitutes the scheme for the collection, measurement, and analysis of data. Cresswell and Cresswell (2018) argue that the approach for testing objective theories is quantitative research. Testing is done by examining the relationship among variables that can be measured, typically on instruments, so that numbered data can be analysed using statistical procedures. This study adopted the survey design quantitative method, which suggests a collection using closed-ended questions that offered response categories on a 5 point Likert scale.

Due to the design and the rapid dispatch of data collection, a cross-sectional survey was the preferred type of data collection procedure for this study. A survey is a systematic method for gathering information from a sample for the purposes of building quantitative descriptors of the traits of the larger population. The survey was conducted to gather information that reflects the construction industry's attitudes, behaviours, opinions, and beliefs that cannot be observed directly.

3.3. Population

A population is defined as a selection of individuals grouped together by a common feature from which a statistical sample is drawn for a study (Cresswell & Cresswell, 2018). Thus, the population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran & Bougie, 2016). The size of the population in this study could not be determined due to the unavailability of statistics on contractors in the construction industry. However, the estimate was made using the number of registered SMEs with the Construction Industries Federations (CIF). There are about 153 small and medium-sized construction firms registered with the Construction Industries Federations (CIF) (Construction Industries Federations of Namibia, 2018). The study's population will include owners and site foremen from the following SME construction firms: building, civil, and specialist contractors. Specialist contractors were the electricians, joiners, plumbers, painters, steelworkers, heating and cooling etc.

3.4. Sample

A sample is a group of people, objects, or items drawn from a larger population for measurement. The sample must be able to represent the population to ensure that we can

generalize the results of the research sample to the population (Cresswell & Cresswell, 2018). The quantitative dimension employs a random sample, in which each individual in the population has an equal probability of being selected (Cresswell & Cresswell, 2018). With this method of sampling, every member of the population has an equal chance of being included in the survey. The population, on the other hand, must have a finite number of elements that can be listed or mapped, and it must be homogeneous. For the survey, simple random sampling was used to select 111 SME (sample size obtained using Slovene's Sampling Formula = n = N/(1+N(e^2)) = 153/91=153*0.05^2) =111, where n = sample size, N = population, e = margin of error, 5%.

3.5. Research Instruments

There are three important data collection methods: interviewing, observing people, and administering questionnaires (Sekaran & Bougie, 2016). The survey used a questionnaire with closed-ended questions as an instrument for data collection. A questionnaire is a tool designed for the collection of quantitative data, with a written set of questions to which respondents record their answers, usually within rather closely defined alternatives (Sekaran & Bougie, 2016). For this study, a 5-point Likert scale questionnaire was used to determine the challenges faced by SMEs in the construction industry in Windhoek and further to establish if these SMEs use strategic management to compete for success.

The issue of COVID-19 has transformed various spheres of human life and global society with increased digitalization due to COVID-19 restrictions (Barnes, 2020). It is against this background that the researcher opted to use an online survey. The limitation with

online surveys is issues of comfortability, affordability, and accessibility to technological devices, and hence some people still require questionnaires in paper format (Wieters, 2016). The survey uses a closed-ended questionnaire. The advantage of closed-ended questionnaires is that they are easier to answer, less biased and the data can be quickly coded, entered and analysed. It does not, however, provide new insight into the topic, nor does it provide in-depth responses (Hyman & Sierra, 2016).

3.6. Procedure for Data Collection

Before data collection, the researcher designed the questionnaires and obtained clearance letters from the University of Namibia ethical clearance committee. All the participants in the study were informed of their rights before taking part in the study. The survey questionnaires were distributed and received through emails, hand delivery, and other online platforms to cut costs and ensure convenient ways of preventing the spread of COVID-19. For the emailed questionnaire, a follow-up was conducted to ensure a high response rate (Ivankova, Cresswell, & Stick, 2006).

3.7 Data Analysis

For the survey, the statistical software SPSS version 22 was used. The researcher used content analysis to summarise and categorise the interview notes as well as recorded data according to their common themes.

Data analysis is the process of analysing raw data to draw out meaningful insights, which are then used to determine the best approach. It is a process of making sense out of data (Merriam &Tisdell, Qualitative Research: A Guide to Design and Implementation,

2016). According to Kothari (2015), cleaning and organizing data, describing data, and testing hypotheses or research questions are the three major steps in data analysis (Cohen, Manion, & Morrison, 2012).

The researcher used the Statistical Package for Social Science (SPSS) version 22 to analyse the quantitative data from the questionnaires and present descriptive statistics and data in the form of tables. The survey findings are illustrated in the form of graphs and tables indicating the frequency of each response. The percentage of respondents who selected an answer for each question was also indicated. On responses to the challenges faced by SME contractors, success factors and recommended strategies were on the five-point Likert scale with strongly agree, agree, neutral, disagree, and strongly disagree. The frequency of each response was indicated. The researcher interrelated analyses of the data with specific research questions.

3.8 Validity and reliability

3.8.1 Validity

The degree to which an instrument measures what it is designed to measure in terms of true results is referred to as its validity (Mohajan, 2017; Cresswell & Cresswell, 2018) argues that validity tests are further divided into three traditional types: content validity, predictive or concurrent validity, and construct validity. The researcher ensures that questions in the questionnaire represent every possible question that could be asked about the content. The researcher ensured that this thesis complied with validity by utilising 5-point Likert scales in the questionnaires.

3.8.1 Reliability

Mohajan (2017) defines research reliability as the consistency, precision, repeatability, and trustworthiness of research to a measurement that produces consistent results with equal values.

3.9 Data verification: Reliability in the quantitative research section

Data verification is a method in which various types of data are checked for accuracy and inconsistencies after data transfer is done to determine whether data was accurately translated from one source to another. In this study, the trustworthiness issues for qualitative data will be discussed further under the subheadings validity, reliability, and objectivity.

3.9.1 Objectivity

Objectivity in social research is the positivist belief that researchers should maintain their distance from what they study so that findings are subject to the nature of what was studied rather than the researcher's beliefs and values (Cresswell & Cresswell, 2018). The researcher conducts her research outside of her work environment.

3.10 Ethical consideration

This study was conducted in an honesty and confidential manner. The participant will be informed in the consent form, that the participation in this study was voluntarily, and participants can withdraw anytime they wish too. The interest of participants will be considered and no confidential data were recorded. Sekaran and Bougie (2016) argues that there should be respect for confidentiality of the data obtained by the researcher, no one

should be forced to respond to participate in the survey, and no misrepresentation or distortion in reporting the data collected when presenting results of the survey.

3.10.1 Ethical Approval

Prior to conducting a survey and interview, ethical approval and research permission was sought from the University Research Ethics Committee (UREC) and the centre of post graduate studies (CPGS).

3.10.2 Informed consent

Informed consent is one of the fundamental principles in research that a researcher has to observe. The researcher informed all participants with a written consent that the study was about challenges faced by SME contractors operating in Windhoek and that the participation in the study was voluntary. The consent was attached as the front cover of the questionnaire and was read before answering the questionnaires.

3.10.3 Voluntary participation

Voluntary participation was also observed as participants were not coerced to participate in the study. Those that opted not to partake in the study, their decisions were fully respected and no action was taken against them. No gifts, bribery or any other promised benefits were used to persuade people to take part.

3.10.4 Confidentiality and anonymity

The researcher took steps to protect the identity of the participants and assured them that their identity was not going to be disclosed to the third party. Thus, the researcher was aware of the SME contractors that participate; however, their private information was

neither written on the questionnaire nor written anywhere. As questionnaires were received, they were kept safe and access to filled-in questionnaires was restricted.

3.10.5 Beneficence and Non-maleficence

This research will be beneficial to SME contractors if solutions are found to address the challenges they face and also to the country in general, since the SME growth will increase the country's gross domestic product (GDP) per capita. Even those SME who participated and read the content of the questionnaire might apply the suggested strategies to improve their operations. The researcher ensured that this study would not purposely cause harm or hurt people and the content was not personalised. The researcher ought to improve the construction industry.

3.10.6 Research Integrity and quality

Grey, Bolland, & Avenell (2019), define research integrity as active adherence to the ethical principles and professional standards essential for responsible research practice. The researcher adhered to all the ethical principles and ensured that the correct procedures to get quality data were followed. The researcher-maintained honesty, rigour, transparency, open communication, the care and respect of all participants and accountability at all stages of the research.

3.10.7 Data Storage and safety

Data from the study is being stored in an external hard drive that is encrypted and locked with password and for five (5) years before it is disposed of deleting the data permanently.

3.11 Chapter summary

An overview of the research methodology used in this study. It further highlights the ethical consideration, which the research observed while conducting the study. The next section will present the results and discussion of the survey.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1. Introduction

This chapter presents the results and discusses them in order to come up with meaningful interpretations. The results revealed the challenges faced by SME contractors in Windhoek. The challenges were investigated through the following research questions:

1. What are the challenges faced by SMEs contractors that operate in Windhoek?
2. How do these SMEs compete for success in the construction projects in Windhoek?
3. What strategy could be implemented to improve the SME performance in the construction projects in Windhoek?

The researcher-collected data through survey questionnaires and telephonic interviews, as pointed out in the methodology section.

4.2 Response rate

According to Bickman and Rog (2009), the response rate is an expression of the percentage of the selected sample members that participated in the study divided by the total sample. The total number of questionnaires distributed to the participant was 117. One hundred and five (105) questionnaires were received back from the participant, and 12 participants did not respond. The response rate of this study is $= \left(\frac{105}{117}\right) * 100\% =$ 89.7%.

4.3. Presentation of the participant's biographical information

The biographical and company information entails the gender of the participants, whether the SME firm has carried-out work in Windhoek, the focus area, the client of the project, the type of construction work undertaken, the participant qualification, and the firm's annual turnover. Data was collected from one hundred and five (105) participants of the study.

4.3.1 The participant gender

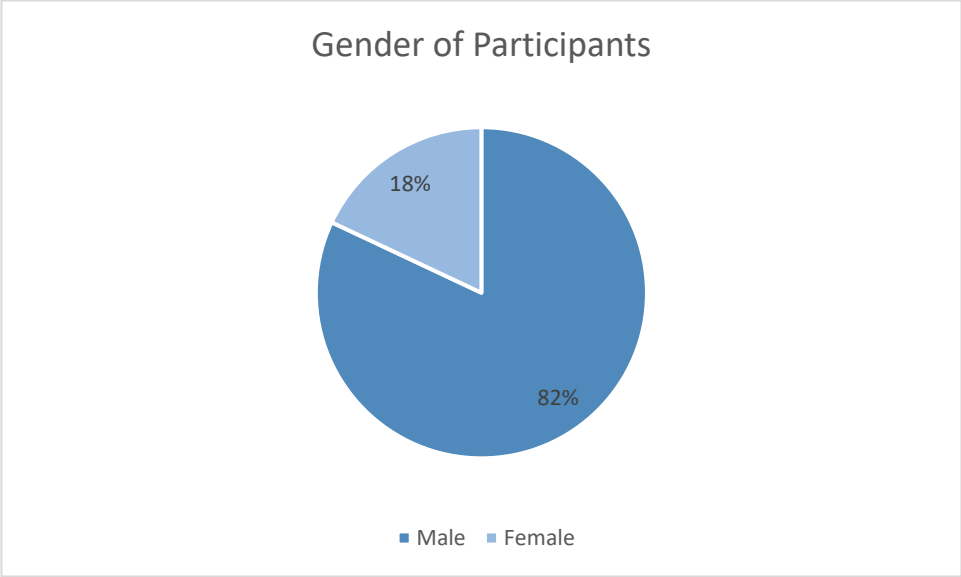
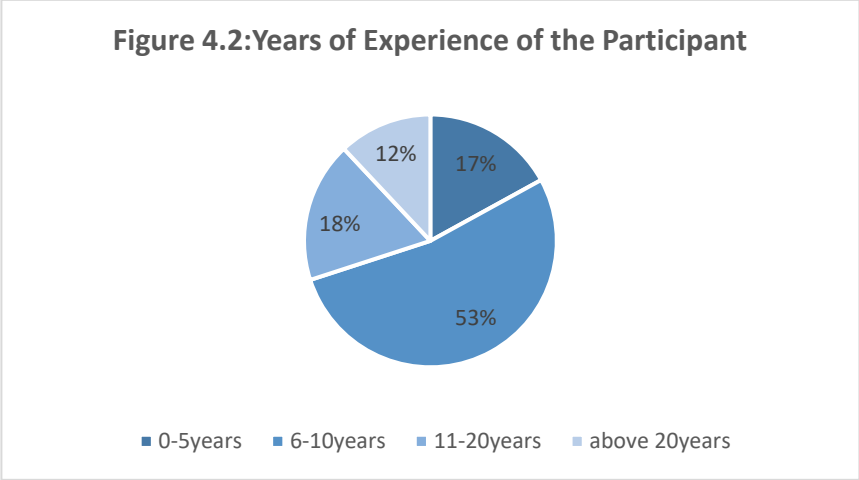


Figure 4.1 Gender of Participant

The Figure 4.1 above shows the frequency and the percentage of respondents' gender. Eighty-two percent (82%) of the people who took part in the survey were men and 18% women. The results show that the majority of the participants were men. This could be because the construction industry is dominated by men. These findings support the

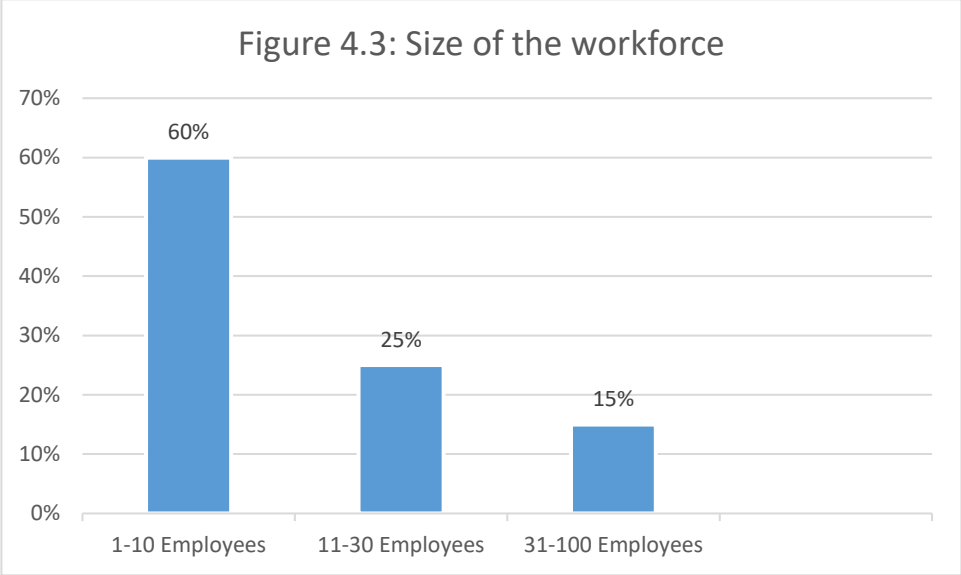
statement that men dominate the construction industry and that women are even thinner in frontline jobs (BigRentzInc, 2021).

4.3.2 Years of Experience of the Participant



The figure 4.2 above shows the years of experience for the participant at intervals. Respondents indicated that 17% had 0–5 years, 53% had 6–10 years, 18% had 11–20 years, and 12% had more than 20 years of experience in the construction industry. The finding shows that the majority of the participants had more than five years of experience. According to the Construction Industries Federation of Namibia (2013), experienced human resource increases profitability.

4.3.3 Size of the workforce



The figure shows the size of the workforce for the participant's firm at intervals. Sixty percent of the respondents had 1–10 employees, 25% had 11–30 employees, and 15% had 31–100 employees in their firm. The findings show that the majority of the participants had fewer than 10 employees, which implies that the majority of the participants' firms were micro enterprises as per the National Policy Criteria for MSMEs (Ministry of Industrilialisation, Trade and SME Development (2016).

4.3.4 Project carried out in Windhoek

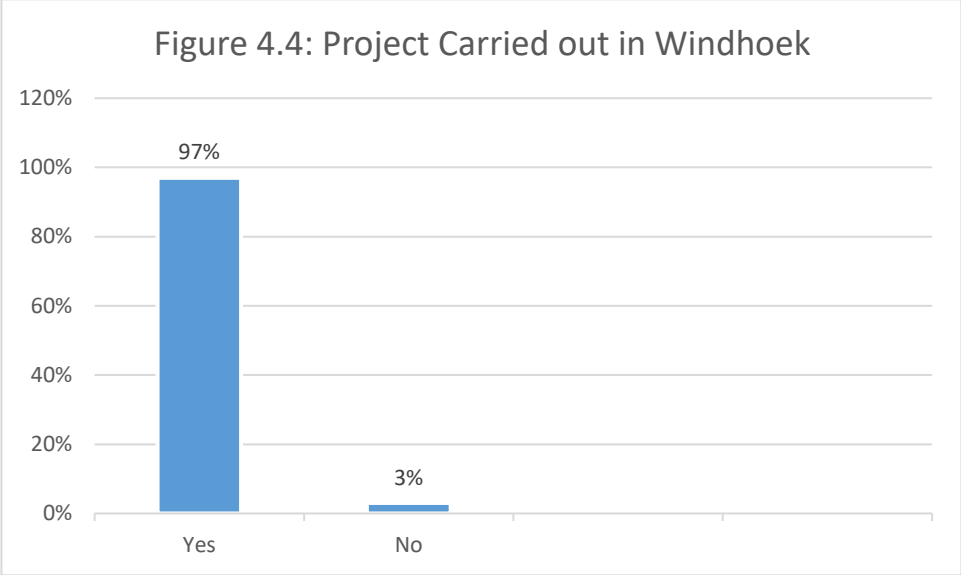


Figure 4.2 Project carried out in Windhoek

The figure above illustrates the frequencies of the respondents whose firms have carried out a project in Windhoek. The results show that 97% of whom took part in the study, their firms had carried out projects in Windhoek, and only three percent (3%) of those firms failed to get projects in Windhoek. The graph indicates that the majority had carried out projects in Windhoek. These findings compliment the statement by Shifidi (2010), who indicated that Windhoek is the area where most construction activities are taking place. This is mainly because it is the capital city and economic hub of the country.

4.3.5 Owners of the projects carried out in Windhoek

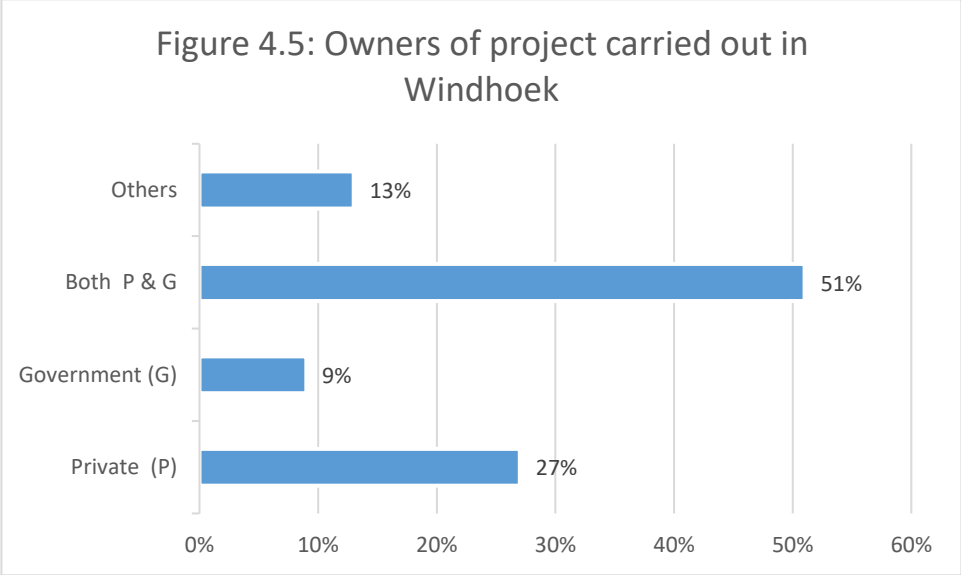


Figure 4.3: Owners of projects carried out in Windhoek

A client, or owner of the project, is normally the project stakeholder who pays for the project. Figure 4.5 above shows that the biggest clients in the construction industry are both the government and private sector. The questionnaire asked the participant to choose among government, private, both government and private, and others. The percentage of each category was 9% for respondents who have done projects for the government, 27% have carried out projects for the private sector, 51% carried out projects for both government and private sector, and 13% are neither private nor government. The combined percentage of both private and government and private is 70%. This implies that private clients are the largest clients. These results contradict the findings of Nevonga (2017) that the government is the biggest employer, as these results seem to suggest that most respondents were awarded contracts by the private sector.

4.3.6 Type of construction work

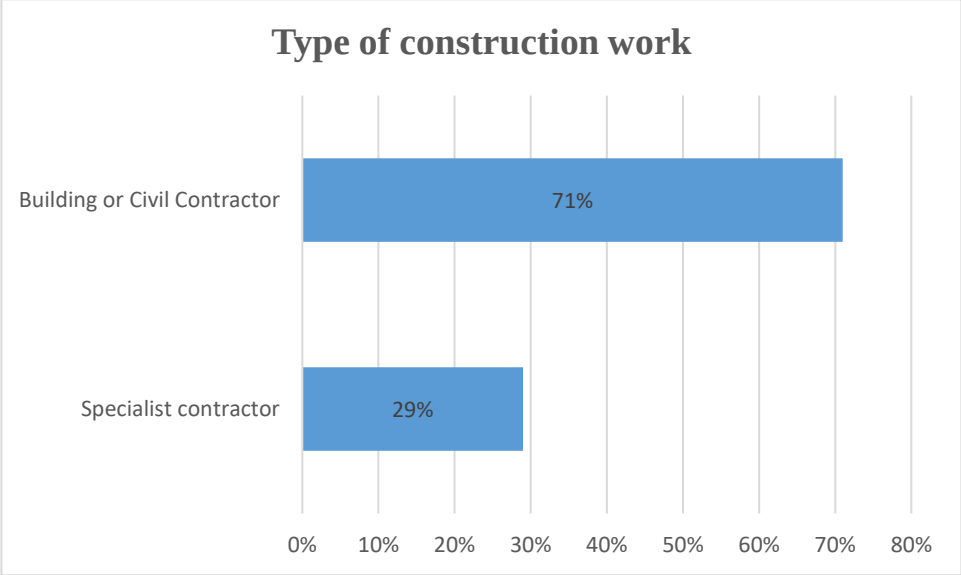


Figure 4.6 Type of construction work

Of the SME contractors who participated in the study, 71% were building or civil contractors, while 29% were specialist contractors. The table further shows the percentage of the total questionnaire distributed, denoted as percentage, and the percentage of the collected questionnaire, which is denoted as valid percentage. The building or civil contractors scored 71.4% and the specialist contractors scored 28.6%, indicating that the majority of respondents were building or civil construction contractors.

4.3.7The highest qualification

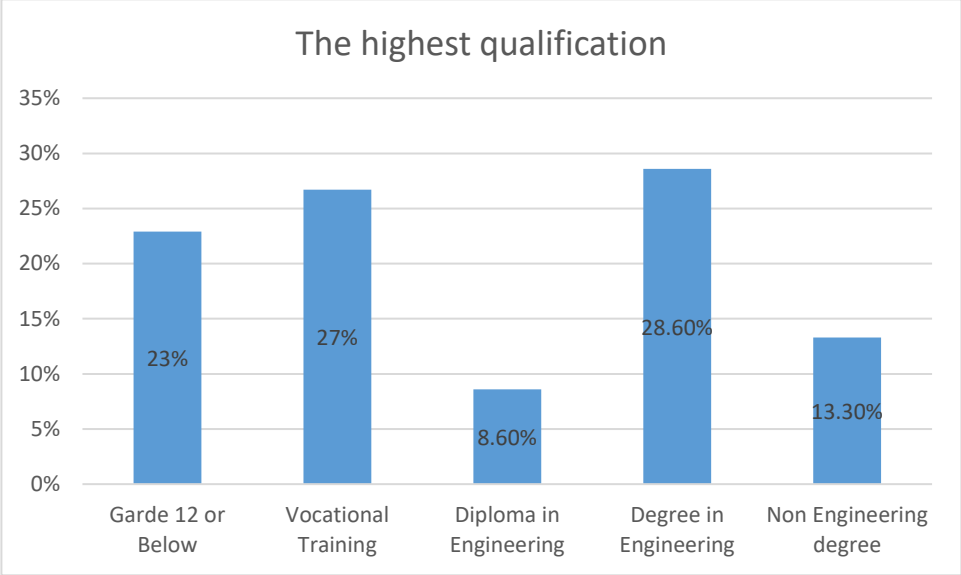


Figure 4.4: Highest qualification

The majority with 77% of the respondents had qualifications, with only 23% respondents having grade 12 or below. The rest of the respondents had vocational training, a diploma in engineering or above, and non-engineering qualifications. 27% had vocational training, 8.6% had diplomas in engineering, 28.6% had a degree in engineering or above, and 13.3% had non-engineering qualifications. The figure 4.6 also shows the percentage of the respondent's frequency over the total questionnaires distributed and the percentage of the respondent's frequency over the total collected questionnaires. The result indicates that most of the participants are educated. These results counter the findings of Kambwale (2015), who mentioned that most of the SME owners are not formally or informally educated.

4.3.8 Annual turnover

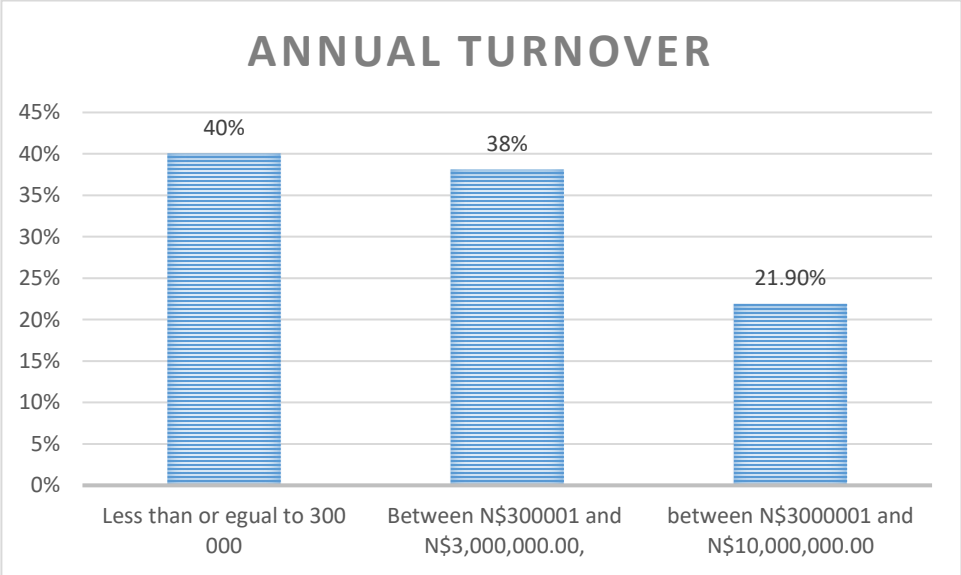


Figure 4.5 Annual turnover

The figure above illustrates the survey results, indicating the frequency and percentages of the turnover of the respondents' companies. According to the 40% of the respondents have companies with a turnover of less than or equal to N $300000, 38% have companies with a turnover of between N$300001 and N$3,000,000.00, and 22% have companies with a turnover of between N$3000001 and N$10,000,000.00. According to the National Policy on Micro, Small and Medium Enterprises in Namibia, enterprises with a turnover of less than or equal to N$300000 are micro enterprises, those with a turnover of between 300001 and N$3 000 000.00 are small enterprises, and those with a turnover of between N$3000001 and N$10 000 000 are medium enterprises. The majority of the respondents

are from micro and small enterprises. These findings uphold the findings of the Construction Industries Federation of Namibia (2013) that the majority with 40% of the contractors had a turnover of less than N $2 000 000.00.

4.4Presentation of the challenges faced by SME contractors in Windhoek

4.4.1 High competition during tendering

Table 4.1: High Competition during Tendering

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	37	31.6	35.3	35.2
	Agree	52	44.4	49.5	84.8
	Neutral	16	13.7	15.2	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table 4.1 shows that 35.3% respondents strongly agreed and 49.5% agreed that there was high completion during tendering, with a cumulative percent of 84.8%. Only 15.2% of respondents were neutral. A majority of the respondents agreed. These results confirm the finding of Aigbavboa (2014) that the SME contractors were suffering from high completion rates during tendering. Furthermore, in Namibia, price is considered the most

influential factor when awarding tenders (Construction Industries Federation of Namibia, 2013).

4.42 Priced bill of quantities

Table 4.1: Poorly Priced Bills of Quantities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	19	16.2	18.1	18.1
	Agree	28	23.9	26.7	44.8
	Neutral	37	31.6	35.2	80.0
	Disagree	12	10.3	11.4	91.4
	Strongly Disagree	9	7.7	8.6	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table 4.2 above shows the results of the respondents' opinions on whether the firm has poorly priced the bill of quantities (BOQ) or not. The results show that 16.2% strongly agreed, 26.7% agreed, and 35.2% neutral, 11.4% disagreed, and 8.6% strongly disagreed.

This indicates that the majority of the respondents (55.2% of the respondents) did not agree that the problem was because their bills of quantity were priced poorly. Thus, only 47 out of 105 agreed that the firm poorly priced the BOQ, which is equivalent to 44.8%. Participants who agreed were outnumbered, and hence the findings shoot down the findings of Aigbavboa *et al.*, (2018), who indicated that SMEs were challenged because they poorly priced their bills of quantity.

4.4.3 Profit margins due to completions

Table4.2: Low profit margin due to competition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	68	58.1	64.8	64.8
	Agree	19	16.2	18.1	82.9
	Neutral	16	13.7	15.2	98.1
	Disagree	2	1.7	1.9	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table above shows the frequency, percentage, and valid percentage of the respondents indicating whether their firms were affected by profit margin due to completion or not.

The majority agreed, 64.8% of the respondents strongly agreed, and 18.1% agreed that their firm had a low profit margin due to competition, while 15.2% were neutral and 1.9% disagreed. Respondents who agree and strongly agree have a cumulative percent of 82.9%. These findings uphold the findings of Shifidi (2010), who indicated that lowering prices at tender stage was a thorn in the flesh as SME contractors suffered low profit margins. Similarly, this supports the findings of the Construction Industries Federation of Namibia (2013) that the profitability of contractors in Namibia is distressed by profitability.

4.4.4 Access to finance

Table 4..3: Limited access to Finance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	50	42.7	47.6	47.6
	Agree	53	45.3	50.5	98.1
	Strongly Disagree	2	1.7	1.9	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table above illustrates the outcome of the survey, whereby the respondents selected whether they strongly agree, agree, neutral, disagree, or strongly disagree that their firm

had limited access to finance. The results show that 47,6% respondents strongly agree, 50.5% agree, and 1.9% strongly disagree. The majority of the respondents' firms had limited access to finance. Respondents who agree and strongly agree have a cumulative percent of 98.1%. These results confirm findings from Shifidi (2010) that banks were reluctant to give small builders financial support. Furthermore, the result supports Kulemeka *et al.,* (2015) that there were stringent conditions for accessing capital.

4.4.5 Payment for the work done

Table 4.4: Payment for the work done

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	47	40.2	44.8	44.8
	Agree	30	25.6	28.6	73.4
	Neutral	23	19.7	21.9	95.3
	Strongly Disagree	5	4.3	4.8	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table above signs post the frequency and percentages of the respondents to indicate whether their firms' experienced delays in payment for the work done. Out of the 105 respondents who returned their questionnaire, 47 strongly agreed, 30 agreed, 23 were

neutral, and 5 strongly disagreed. The cumulative percentage for those that agree and strongly agreed is 73.4%, which means that the majority of the respondents' firms experienced delays in payment for the work done. This result supports the findings of Balogun *et al.*, (2016) who indicated that emerging contractors are faced with poor cash flow and payment delays.

4.2.6 Payment of interest on late payment

Table 4.5: Payment of interest on late payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	5	4.3	4.8	4.8
	Agree	26	22.2	24.8	29.6
	Neutral	28	23.9	26.7	56.2
	Disagree	23	19.7	21.9	78.1
	Strongly Disagree	23	19.7	21.9	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table indicates the frequency of the despondences on whether their claimed interest on late payment was paid. Out of the 105 respondents who returned their questionnaire, 4.8% strongly agreed, 24.8% agreed, 26.7% were neutral, 21.9% disagreed, and 21.9% strongly disagreed. The cumulative percentage for those that agree and strongly agreed is 29.6%, which means that a minority of the respondents' firms received payment for the claimed interest on late payment. The fact that the majority disagreed is because their interest had not been paid. These findings verify and endorse the findings of Offei *et al.*, (2019) that SMEs were not getting their interest claimed on late payment.

4.4.7 Valuation of the work done

Table 4.6: Valuation of Work done

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	7.7	8.6	8.6
	Agree	28	23.9	26.7	35.3
	Neutral	33	28.2	31.4	66.7
	Disagree	16	13.7	15.2	81.9
	Strongly Disagree	19	16.2	18.1	100
	Total	105	89.7	100.0	
Missing	System	12	10.3		

Total		117	100.0		

The table overhead indicates the frequency of the responses on whether the work done was undervalued. Out of the 105 respondents who returned their questionnaire, 8.6% strongly agreed, 26.7% agreed, 31.4% were neutral, 15.2% disagreed, and 18.1% strongly disagreed. The cumulative percentage for those that agree and strongly agreed is 35.3%, which means the majority of the respondents' firms' work was undervalued and the majority of their work was correctly valued.

4.4.8 Capacity to deliver the project

Table 4.7: SME Capacity to deliver the project

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	28.2	31.4	31.4
	Agree	37	31.6	35.2	66.7
	Disagree	33	28.2	31.4	98.1
	Strongly Disagree	2	1.7	1.9	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table above indicates the frequency of the respondents on whether the firm lacks capacity to deliver the project or not. Out of the 105 respondents who returned their questionnaire, 31.4% strongly agreed, 35.2% agreed, 31.4% were neutral, and 1.9% strongly disagreed. The cumulative percentage for those that agree and strongly agreed is 66.7%, which indicates that the majority of the respondents' firms lack the capacity to deliver the project. These findings uphold the findings of Aigbavboa and Thwala (2014), who indicated that lack of capacity to deliver on certain projects is the greatest challenge faced by construction companies.

4.4.9 The client assigned incompetent consultant to projects (poor monitoring and control)

Table 4.8: Poor Monitoring and Control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	5	4.3	4.8	4.8
	Agree	30	25.6	28.6	33.4
	Neutral	23	19.7	21.9	55.3
	Disagree	23	19.7	21.9	77.2

	Strongly Disagree	24	20.5	22.9	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table above designates the frequency of the respondents on whether consultants assigned to projects by the client are incompetent (poor monitoring and control). Out of the 105 respondents who returned their questionnaire, 4.8% strongly agreed, 28.6 agreed, 21.9% were neutral, 21.9% disagreed, and 22.9% strongly disagreed. The cumulative percentage for those that *agree* and strongly agreed is 33.4%, which indicates that the majority of the respondents agreed that their project had competent consultants. These results refute the findings by Zinyoro (2014), who indicated that projects were completed outside of the agreed schedule, cost, and quality because of a lack of skill and limitations pertaining to consultants' supervision.

4.4.10 The abandonment of the project

Table 4.9: Abandonment of the project

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	21	17.9	20.0	20.0
	Disagree	28	23.9	26.7	46.7

	Strongly Disagree	56	47.9	53.3	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table indicates the frequency of the respondents' views on whether the project was abandoned during construction. Out of the 105 respondents who returned their questionnaire, 20% were neutral, 26.7% disagreed, and 53.3 strongly disagreed. The cumulative percentage for those that disagreed and strongly disagreed is 80%, which indicates that the majority of the respondents' projects were not suspended. They refute the findings of Nevonga (2017), who indicated that SME lack financial discipline and they use project money for things that are not related to the project. As a result, they abandon projects due to lack of funds.

4.4.11 The project cost of inputs (Materials, tools labour and machinery)

Table 4.10: Project cost of inputs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	15.4	17.1	17.1
	Agree	35	29.9	33.3	50.5
	Neutral	33	28.2	31.4	81.9
	Disagree	19	16.2	18.1	100.0

	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table indicates the frequency and the percentage of the respondents on whether the project had a high cost of inputs (materials, tools, labour, and machinery). Out of the 105 respondents who returned their questionnaires, 17.1% strongly agreed, 33.3% agreed, 31.4% were neutral, and 18.1% disagreed. The cumulative percentage for those that agreed and strongly agreed is 50.5%, which indicates that the majority of the respondents' projects had a high cost of inputs (materials, tools, labour, and machinery). These results are in agreement with the Construction Industries Federation of Namibia (2013), which indicated that contractors' profitability was affected by the cost of materials and the remoteness of materials where they could be obtained from. Likewise, Mahamid (2016) indicated that the factor affecting SME performance was the escalation in material prices.

4.4.12 Contract conditions

Table 4.11: Contract Conditions were burdensome

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	19.7	21.9	21.9
	Agree	26	22.2	24.8	46.7

	Neutral	33	28.2	31.4	78.1
	Disagree	9	7.7	8.6	86.7
	Strongly Disagree	14	12.0	13.3	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table indicates the frequency and the percentage of the respondents on whether the contract conditions are burdensome. Out of the 105 respondents who returned their questionnaire, 21.9% strongly agreed, 24.8% agreed, 31.4% were neutral, 8.6% disagreed, and 13.3% strongly disagreed. The cumulative percentage for those that agree and strongly agreed is 46.7%, which indicates that a minority of the respondents did not find the contract conditions to be burdensome. These findings refute Nevonga's (2017) statements.

4.4.13 Project scope

Table 4.12: Project Scope was changed

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	14	12.0	13.3	13.3
	Agree	26	22.2	24.8	38.1
	Neutral	19	16.2	18.1	56.2

	Disagree	28	23.9	26.7	82.8
	Strongly Disagree	18	15.4	17.1	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table above illustrates the frequency and percentage of the respondents on whether the scope of the project was changed. Out of the 105 respondents, 13.3% strongly agreed, 24.8% agreed, 18.1% were neutral, 26.7% disagreed, and 17.1% strongly disagreed. The cumulative percentage for those that agree and strongly agreed is 38.1%, which indicates that the majority of the respondents did not experience project scope creep. These findings do not concur with Zinyoro's (2014) statements that indicated the clients delayed the project by changing the initial scope.

4.4.14 Financial demands from political heads/clients' representatives

Table 4.13: Financial demands from political heads/client's representatives

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	9	7.7	8.6	8.6
	Agree	14	12.0	13.3	21.9
	Neutral	12	10.3	11.4	33.4
	Disagree	28	23.9	26.7	60.0
	Strongly Disagree	42	35.9	40.0	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table indicates the frequency and the percentage of the respondents on whether the firm has experienced financial demands from political heads or clients' representatives (frauds, pilfering, or corruption). Out of the 105 respondents who returned their questionnaire, 9 strongly agreed, 14 agreed, 12 were neutral, 28 disagreed, and 42 strongly disagreed. The cumulative percentage for those that agree and strongly agreed is 21.9%, which indicates that the majority of the respondents did not experience financial demands from political heads/clients' representatives (frauds, pilfering, or corruption). These findings are consistent with the findings of Links and Haimbodi (2011), who discovered hearsay about corruption in the Namibian construction sector, primarily with government tenders, but this could not be proven.

4.4.15 Summary of findings on the challenges faced by SME contractors, Windhoek

Fourteen (14) challenges were identified from a literature review and were included in the survey question. The following challenges were identified: high completion during tendering; poor pricing of bills of quantity; low profit margin due to competition; limited access to finance; delays in payment for work done; payment for interest on late payment; undervaluation of work done; lack of capacity to deliver the project; assignment of an incompetent consultant to the project; suspension of work; high cost of inputs (materials, tools, labor, and machinery); burdensome contractual obligations.

The summary results of the survey are shown in the table 4.15 below, and are indicated by the percentage of the respondents that agreed with each factor mentioned above. Consequently, they are ranked according to the response percentages.

Table 4.14 : Summary of findings on the challenges faced by SME contractors, Windhoek

	Challenges	**Agree cumulative %**	**Ranking**
1	There was high competition during tendering	84.8	2
2	The firm poorly priced the Bills of Quantity	44.8	9
3	The firm had low profit margin due to competition	82.9	3
4	The firm had limited access to finance	98.1	1
5	There were delays in payment for the work done.	73.4	4

6	Interest on late payment claims was paid.	29.6	13
7	The work done was undervalued.	35.3	11
8	The firm lacks capacity to deliver the project	66.7	5
9	The client assigned incompetent consultant to projects (Poor monitoring and control).	33.4	12
10	The project was suspended or abandoned.	46.7	7
11	The project has high cost of inputs (Materials, tools, labour and Machinery)	50.5	6
12	Contract conditions are burdensome.	46.7	8
13	Project scope was changed.	38.1	10
14	Financial demands from political heads/Client representative (Frauds/pilfering or corruption)	21.9	14

From the table 4.15, it can be observed that the most challenging factor is the limited access to finance, followed by high completion during tendering, thirdly the low profit margin due to competition at tender stage, fourth delays in payment for the work done, fifth the lack of capacity to deliver the project and sixth the high cost of project inputs (materials, tools, labour, and machinery).

4.5 Presentation of the survey findings on the way SME contractors compete for success

4.5.1 Corporate or business strategy

Table 4.15: Entities that practice corporate or business strategy have the potential to grow and develop into reputable entities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	28.2	31.4	31.4
	Agree	34	29.1	32.4	63.8
	Disagree	38	32.5	36.2	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, and strongly disagree that entities that practice corporate or business strategy have the potential to grow and develop into reputable entities. The result shows that out of 105 respondents who returned the questionnaires, 33 strongly agreed, 34 agreed, and 38 were neutral. A majority of the respondents concur that entities that practice corporate or business strategy have the potential to grow and develop

into reputable entities. Respondents who agree and strongly agree had a cumulative percent of 63.8%. These results tally with Adendorff *et al.,* (2011), who indicated that firms that practice corporate or business strategy have the potential to grow and develop into reputable entities.

4.5.2 Joint venture partnerships, accusations, subcontracting, vertical integration

Table 4.16: SMEs in the construction industry must advance corporate and business strategies such as joint venture partnership, accusations, subcontracting, and vertical integration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	56	47.9	53.3	53.3
	Agree	26	22.1	24.8	78.1
	Neutral	16	13.7	15.2	93.3
	Disagree	7	6.0	6.7	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree or strongly disagree that SMEs in the construction industry must advance corporate and business strategies such as joint venture partnerships, accusations, subcontracting, and vertical integration. The result shows, out of 105 respondents who returned the questionnaires, 56 strongly agreed, 26 agreed, 14 neutral, and 7 disagreed. A majority of the respondents agreed that SMEs in the construction industry must advance corporate and business strategies such as joint venture partnerships, accusations, subcontracting, and vertical integration. Respondents who agree and strongly agree had a cumulative percent of 78.1%. These results are in agreement with Adendorff *et al.,* (2011) that firms that advance corporate and business strategies such as joint venture partnerships, accusations, subcontracting, and vertical integration are sailing better.

4.5.3 Tender prices at tender stage and tender award

Table 4.17: The chances of getting tenders is by lowering tender prizes at tender stage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	19.7	21.9	21.9
	Agree	26	22.2	24.8	46.7
	Neutral	23	19.7	21.9	68.6

	Disagree	12	10.3	11.4	80.0
	Strongly Disagree	21	17.9	20.0	100.00
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table 4.18 displays the results of the survey, in which respondents indicated whether they strongly agree, agree, neutral, disagree, or strongly disagree that lowering tender prizes at the tender stage increases the likelihood of SME being awarded the tender. The result shows, out of 105 respondents who returned the questionnaires, 23 strongly agreed, 26 agreed, 23 neutral, 12 disagreed, and 21 strongly disagreed. A majority of the respondents agreed that lowering the tender prizes at the tender stage means SMEs are more likely to be awarded the tender. Respondents who agree and strongly agree had a cumulative percent of 46.7%, indicating a minority of respondents.

4.5.4 Mandatory documents to get a tender

Table 4.18: The required collateral guarantee for performance guarantee, good standing with the receiver of revenue and social security commission

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	42	35.9	40.0	40
	Agree	35	29.9	33.3	73.3
	Neutral	16	13.7	15.2	88.6
	Disagree	12	10.3	11.4	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, strongly disagree that the ability of SMEs in the construction industry to get tender depends on their ability to provide the required collateral guarantee, performance guarantee, and be in good standing with the receiver of revenue from the Social Security Commission. The result shows, out of 105 respondents who returned the questionnaires, 42 strongly agreed, 35 agreed, 16 neutral, and 12 disagreed. A majority of the respondents recommend that SME businesses hire more qualified staff in their businesses. Respondents who agreed and strongly agreed had a

cumulative percentage of 73.3%, indicating that a majority agreed that the ability of SMEs in the construction industry to get tender depends on their ability to provide the required collateral guarantee, performance guarantee, and be in good standing with the receiver of revenue, Social Security Commission. This coincides with the Nevonga (2017) findings.

4.5.5 The growth and success of SMEs in construction industry depends on getting tenders

Table 4.19: The growth and success of SMEs in the construction industry depends on the firm getting tenders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	51	43.6	48.6	48.6
	Agree	30	25.6	28.6	77.2
	Neutral	13	11.1	12.4	89.6
	Disagree	1	0.9	1.0	90.5
	Strongly Disagree	10	8.5	9.5	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		

Total		117	100.0		

The table shows the outcome of the survey, whereby the respondents selected whether they strongly agree, agree, neutral, disagree, and strongly disagree that the growth and success of SMEs in the construction industry depends on the company's getting tenders. The result shows, out of 105 respondents who returned the questionnaires, 51 strongly agreed, 30 agreed, 13 neutral, 1 strongly disagreed, and 10 strongly disagreed. Majority of the respondents concurred with Nevonga (2017) that the growth and success of SMEs in the construction industry depends on the company's getting tenders. Respondents who agree and strongly agree had a cumulative percent of 77.2%.

4.5.6 Good planning practices and tools

Table 4.20: Business that fail to drive good planning forward will also find it difficult to compete in good condition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	14.5	16.2	16.2
	Agree	18	15.4	17.1	33.3
	Neutral	68	58.1	64.8	98.1
	Disagree	2	1.7	1.9	100.0

	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, and strongly disagree with the opinion that businesses that fail to drive good planning practices and tools forward will also find it difficult to compete in good conditions. The result shows, out of 105 respondents who returned the questionnaires, 17 strongly agreed, 18 agreed, 68 neutral and 2 disagreed. A majority of the respondents could not agree nor disagree. Respondents who agree and strongly agree had a cumulative percent of 33.3%, indicating a minority of respondents who agreed with the opinion. These findings contradicted Agwu's (2018) findings that businesses that did not properly plan good practices and tools for the future will find it difficult to compete in good conditions.

4.5.7 Success of every business

Table 4.21: Strategy is needed for every business to succeed

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	14.5	16.2	16.2
	Agree	34	29.1	32.4	48.6

	Neutral	35	29.9	33.3	81.9
	Disagree	19	16.2	18.1	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the frequency and percentage outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, and strongly disagree that for every business to succeed, regardless of size, it needs a strategy to act as a compass to improve its business performance as well as gain a competitive edge over other businesses. The result shows, out of 105 respondents who returned the questionnaires, 17 strongly agreed, 34 agreed, 35 neutrals, and 19 disagreed. Thus, the minority agreed with that statement. Respondents who agree and strongly agree had a cumulative percent of 48.6%. These results diverge from Agwu (2018), who indicated that for every business to succeed, regardless of size, it needs a strategy to act as a compass to improve its business performance as well as gain a competitive edge over other businesses.

4.5.8 Summary of Successful factors that can improve the SMEs operations

The summary results of the survey are shown in the table below, and are indicated using percentage of the respondent that agreed with each factor mentioned above. Consequently, they are ranked according to the response percentages.

Table 4.22: Successful factors that can improve the SMEs operations

	Success factors	Agree cumulative %	Ranking
1	Entities that practice corporate or business strategy have the potential to grow and develop into reputable entities	63.8	4
2	SMEs in construction industries must advance corporate and business strategies such as joint venture partnerships, acquisitions, subcontracting, vertical integration	78.1	1
3	By lowering the tender prices at the tender stage, you are more likely to be awarded the tender.	46.7	5
4	SMEs in the construction industry to get tenders depends on their ability to provide the required collateral guarantee, performance guarantee and be in good standing with the receiver of revenue and the Social Security Commission.	73.3	3
5	The growth and success of the SMEs in the construction industry depends on the companies getting tenders	77.2	2
6	Business that fail to drive good planning practices and tools forward will also find it difficult to compete in good conditions	33.3	7
7	For every business to succeed regardless of the size, that it needs a strategy to act as a compass to improve on their	48.6	6

	business performance as well as gain competitive edge over other businesses		

For these SMEs to survive, they compete for success by advancing corporate and business strategies such as joint ventures, partnerships, acquisitions, subcontracting, and vertical integration; getting tenders; possessing the ability to provide the required collateral guarantee and performance guarantee; being in good standing with the receiver of revenue and the Social Security Commission; and practicing corporate or business strategy.

4.6. Presentation on the survey results on strategies that could be implemented to improve the SME performance in the construction industry in Windhoek

4.6.1 Capacity building training programme

Table 4.23: Government Capacity building training programmes to SMEs as a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	28.2	31.4	31.4
	Agree	20	17.1	19.0	50.5
	Neutral	50	42.7	47.6	98.1

	Strongly Disagree	2	1.7	1.9	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the frequency and percentage outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, and strongly disagree that the government should introduce a capacity-building training program to strengthen SME capacity and leadership skills to sustain SMEs as a business. The result shows, out of 105 respondents who returned the questionnaires, 33 strongly agreed, 20 agreed, 50 neutral and 2 strongly agreed. A majority of the respondents agreed that the government should introduce capacity-building training programs to strengthen SME capacity and leadership skills to sustain SMEs as a business. Respondents who agree and strongly agree had a cumulative percent of 50.5%. These results are in harmony with the recommendation made by Offei et al. (2019; Sheehama and Shihomeka, 2017) that the government should introduce a capacity-building programme.

4.6.2 Strategic management to facilitate their growth and development

Table 4.24: SMEs can improve themselves by applying strategic management to facilitate their growth and development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	68	58.1	64.8	64.8
	Neutral	2	1.7	1.9	66.7
	Disagree	35	29.9	33.3	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the frequency and percentage outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, or strongly disagree with the statement that SMEs can improve themselves by applying strategic management to facilitate their growth and development. The result shows that out of 105 respondents who returned the questionnaires, 68 strongly agreed, 2 neutral and 35 disagreed. A majority of the respondents recommended SMEs improve themselves by applying strategic management to facilitate their growth and development. Respondents who strongly agree had a cumulative percent of 64.8%. These results are of the same mind as Adendorff et al. (2011), that SMEs can improve themselves too without depending on government interventions.

4.6.3 Effect of Government direct intervention on free market economy

Table 4.25: Government direct intervention can affect market dynamics and violate the purpose of a free market economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	28.2	31.4	31.4
	Agree	18	15.4	17.1	48.6
	Neutral	17	14.5	16.2	64.8
	Disagree	35	29.9	33.3	98.1
	Strongly Disagree	2	1.7	1.9	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey, whereby the respondents selected whether they strongly agree, agree, neutral, disagree, or strongly disagree that to overcome payment delays, clients and main contractors must pay on time. The result shows, out of 105 respondents who returned the questionnaires, 33 strongly agreed, 18 agreed, 17 neutral, 35 disagreed, and 2 strongly disagreed. A minority of the respondents did not agree that government direct intervention can affect market dynamics and violate the

purpose of a free market economy. Respondents who agree and strongly agree had a cumulative percent of 48.6%. The findings do not correspond to Shifidi's (2010) statement on government direct intervention.

4.6.4 Strategic management role in building up competitiveness

Table 4.26: Strategic Management plays an important role in building up competitiveness of small and medium sized enterprises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	14.5	16.2	16.2
	Agree	34	29.1	32.4	48.6
	Neutral	17	14.5	16.2	64.8
	Disagree	37	31.6	35.2	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey, whereby the respondents selected whether they strongly agree, agree, neutral, disagree or strongly disagree that strategic management plays an important role in building the competitiveness of small and medium-sized enterprises. The result shows, out of 105 respondents who returned the

questionnaires, 17 strongly agreed, 34 agreed, 17 neutrals, and 37 disagreed. A minority of the respondents recommended that strategic management plays an important role in building the competitiveness of small and medium-sized enterprises. Respondents who agree and strongly agree had a cumulative percent of 48.6%. These results are not in agreement with Bezinová e*t al.*, (2016) that strategic management plays a role in building up the competitiveness of SMEs. The strategy for SMEs was mainly aimed at stability, quality, development, and profit.

4.6.5 Financial training

Table 4.27: Financial Training is important to prevent SMEs from failing into crises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	56	47.9	53.3	53.3
	Agree	26	22.2	24.8	78.1
	Neutral	12	10.3	11.4	89.5
	Disagree	11	9.4	10.5	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		

Total		117	100.0		

The table shows the outcome of the survey, whereby the respondents selected whether they strongly agree, agree, neutral, disagree, or strongly disagree that financial training is important to prevent SMEs from falling into financial crisis. The result shows, out of 105 respondents who returned the questionnaires, 56 strongly agreed, 26 agreed, 14 neutral and 11 disagreed. A majority of the respondents recommend that SME businesses hire more qualified staff in their businesses. Respondents who agree and strongly agree had a cumulative percent of 78.1%. Results support Bagoun *et al.*, (2016) that financial training prevents SMEs from falling into crises.

4.6.6 Payments of Certificates

Table4.28: Clients and main contractors must pay SMEs on time to overcome payment delays

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	86	73.5	81.9	81.9
	Agree	5	4.3	4.8	86.7
	Neutral	14	12.0	13.3	100.0

	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey, whereby the respondents selected whether they strongly agree, agree, neutral, disagree, or strongly disagree that to overcome payment delays, clients and main contractors must pay on time. The result shows that out of 105 respondents who returned the questionnaires, 86 strongly agreed, 5 agreed and 14 were neutral. A majority of the respondents agreed that clients and main contractors must pay on time. Respondents who agree and strongly agree had a cumulative percent of 86.7%. These results fully support Mahamid (2016), who recommended that clients are urged to pay on time to avoid payment delays.

4.6.7 Qualified staff

Table 4.29: SMEs need to hire more qualified staff in their business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	35	29.9	33.3	33.3
	Agree	42	35.9	40.0	73.3

	Neutral	28	23.9	26.7	100.0
	Disagree	0	0	0	
	Strongly Disagree	0	0	0	
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table shows the outcome of the survey, whereby the respondents selected whether they strongly agree, agree, neutral, disagree, or strongly disagree that SME businesses need to hire more qualified staff in their businesses. The result shows that out of 105 respondents who returned the questionnaires, 35 strongly agreed, 42 agreed, 28 neutral, 0 disagreed and 0 strongly disagreed. A majority of the respondents recommend that SME businesses hire more qualified staff in their businesses. Respondents who agree and strongly agree had a cumulative percent of 73.3%. The results harmonized with Nevonga (2016), who indicated that SMEs need to hire qualified staff in their business, like qualified book keepers or financial accounting, to reconcile their financial books.

4.6.8 Completive Market Activities

Table 4.30: SMEs must pay attention to competitive market activities and use large enterprises supply chain management strategies when developing business strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	19.7	21.9	21.9
	Agree	44	37.6	41.9	63.80
	Neutral	28	23.9	26.7	90.47
	Disagree	5	4.3	4.8	95.23
	Strongly Disagree	5	4.3	4.8	100.00
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table below demonstrates the outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, or strongly disagree that SMEs must pay attention to competitive market activities and use large enterprises' supply chain management strategies when developing business strategies. The result shows, out of 105 respondents who returned the questionnaires, 23 strongly agreed, 44 agreed, 28 neutral, 5 disagreed, and 5 strongly disagreed. A majority of the respondents recommend that SMEs pay attention to competitive market activities and use large enterprises' supply chain management strategies when developing business strategies. Respondents who agree and strongly agree had a cumulative percent of 63.8%. The results are in agreement with Trung & Belihu (2010).

4.6.9 Conditions of project contracts

Table 4.31: Conditions of contract be translated into local languages and made available at a cost, so that all SME owners can be able to read and understand the condition of contract

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	19	16.2	18.1	18.1
	Agree	44	37.6	41.9	60.00
	Neutral	23	19.7	21.9	81.9
	Disagree	12	10.3	11.4	93.3
	Strongly Disagree	7	6.0	6.7	100.00
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table below demonstrates the outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, and strongly disagree that the conditions of the project contract be translated into local languages and made available at a cost, so that all SME owners can be able to read and understand the conditions of the contract. The result shows, out of 105 respondents who returned the questionnaires, 19

strongly agreed, 44 agreed, 23 neutral, 12 disagreed, and 7 strongly disagreed. A majority of the respondents would like the conditions of the project contract to be translated into local languages and made available at a cost so that all SME owners can be able to read and understand the conditions of the contract. This confirms Nevonga's (2017) recommendation that project contracts be translated into local languages. Respondents who agree and strongly agree had a cumulative percent of 60%.

4.6.10 SMEs need financial assistance with conditions different from commercial banks conditions

Table 4.32: SMEs need financial assistance different from commercial bank conditions

SMEs need financial assistance with conditions different from commercial banks conditions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	28.2	31.4	31.4
	Agree	38	32.5	36.2	67.6
	Disagree	18	15.4	17.1	84.8
	Strongly Disagree	16	13.7	15.2	100.0
	Total	105	89.7	100.0	
Missing	System	12	10.3		
Total		117	100.0		

The table illustrates the outcome of the survey whereby the respondents selected whether they strongly agree, agree, neutral, disagree, and strongly disagree that SMEs need financial assistance with conditions different from commercial banks' conditions. The result shows that out of 105 respondents who returned the questionnaires, 33 strongly agreed, 38 agreed, 18 disagreed, and 16 strongly disagreed. A majority of the respondents would like SMEs to be given financial assistance with conditions different from commercial banks' conditions. Respondents who agree and strongly agree have a cumulative percent of 67.6%. The findings support the conclusion by Sheehama & Shihomeka (2017) that SMEs need financial assistance with different conditions from commercial banks. This is because the existing conditions are strict (Kulemeka *et al.,* 2015).

4.6.11 Summary of strategies that could be implemented to improve SME performance in the construction's projects, Windhoek

The table below shows the summary results of the survey on strategies that could be implemented to improve SME performance in the construction projects in Windhoek and is indicated by the percentage of the respondents that agreed with each factor mentioned above. Consequently, they are ranked according to the response percentages.

Table 4.33 Strategies that can be implemented to improve SME performance

	Strategies	**Agree cumulative %**	**Score Ranking**
1	Government should introduce a capacity building training programme to strengthen SME capacity and leadership skills to sustain the SME as businesses.	50.5	8
2	SMEs can improve themselves by applying strategic management to facilitate their growth and development	66.7	5
3	Government direct intervention can affect market dynamics and violate the purpose of a free-market economy	48.6	9
4	Strategic management plays a significant role in building up the competitiveness of small and medium-sized enterprises	48.6	10
5	Financial training is important to prevent SMEs from falling into financial crises	78.1	2
6	Clients and main contractors must pay SMEs on time to overcome payment delays.	86.7	1
7	SMEs businesses need to hire more qualified staff in their businesses	73.3	3

8	SMEs must pay attention to competitive market activities and use large enterprises supply chain management strategies when developing business strategies.	63.8	6
9	The conditions of contract to be translated into local languages and be made available at a cost, so that all SMEs owners can be able to read and understand the conditions of contract.	60.0	7
10	SMEs need financial assistance with conditions different from commercial banks' conditions.	67.6	4

4.7 Chapter summary

This section discussed and presents the argument of the findings of the study based on the outcome of the survey. The results also confirm that SMEs are faced with challenges, especially emanating from cash flow.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary, conclusions, and recommendations of the findings and analysis of the study, which was carried out in Windhoek regarding the challenges faced by SMEs in the construction industry.

5.2 Summary of Findings

Incomplete and abandoned capital projects have been of great concern to the Namibian government and relevant stakeholders. This study investigated the challenges faced by SMEs in the construction industry in Windhoek.

The biographical results of the survey indicated that more men participated in the study, which coincidentally matches the findings of the in-depth interview. This implies that men have the lion's share of the construction industry. The majority of the SMEs participants for both the survey and the interview were from civil or building contractors, and the private sector emerged as the largest employer. The study further reveals that the majority of the respondents have completed grade 12 with the highest percentage educated in the engineering field (technical field). The majority of micro and small contractors took part in the survey.

5.2.1. Challenges faced by SMEs contractors in Windhoek

Based on the ranking, the most critical challenges facing SMEs in the construction industry in Windhoek are the limited access to finance, followed by high competition during tendering, low profit margin due to completion, delays in payment for the work done, lack of capacity to deliver the project and the high cost of inputs like materials, tools, labour and machinery.

What comes to light from the results of this study is that SMEs in Windhoek are faced with problems emanating from both internal and external factors. Firstly, the internal factors affecting SMEs in Windhoek were limited access to finance, low profit margin due to completion, lack of capacity to deliver the project and high cost of inputs like materials, tools, labour and machinery. A combination of limited access to finance and low profit margin leads to poor cash flows that can result in intermingling the competing resources of both the family and business as a coping strategy (Wiatt *et al.*, 2021). Wiatt *et al.*, (2021) argue that financial intermingling involves the use of business assets to support the household or vice versa. This is because small businesses have less access to borrowing funds commercially and managing separate financial records between family and business systems. And hence, financial bootstrapping may be considered.

Al-Joburi, Al-Aomar, &Bahri (2012) argue that cash flow problems can marshal project failure and business bankruptcy. The negative cash flow determines the inability of the contractor to complete the project on time. Consequently, this might lead to the project being halted or terminated (Al-Joburi, *et al.,* 2012). This is because poor cash flow can lead to SME's being unable to afford skilled workers, materials, tools, and machinery. Al-

Joburi *et al.*, (2012) indicated that the advance payment is a good mechanism to reduce the negative cash flow and, when utilized effectively, it helps prevent project failure.

Industry saturation, unregulated industry, and high salaries for qualified employees (qualified employees demand high salaries). The new challenges found during interviews are unavailability of work/tenders, industry saturation, and industries not regulated.

Ansof *et al.*, (2019) argue that challenging factors can either emanate from internal or external factors. These challenges can be grouped into internal and external factors. According to this study, the majority of critical factors emanate from external factors: limited access to finance, high competition during tendering, low profit margin due to completion, delays in payment for the work done, high cost of inputs (tools, labour, and machinery), incomplete scope of work that leads to variations, the construction industry is not regulated, the industry is saturated, and corruption.

Internal factors found in this study were: lack of capacity to deliver the project; lack of capital; collateral; and being unable to secure guarantees for awards.

5.2.2 SMEs compete for success in the construction's projects in Windhoek

Factors that lead to successful operations were assessed too. SMEs survive by advancing corporate and business strategies such as joint ventures, partnerships, acquisitions, subcontracting, and vertical integration; getting tenders; possessing the ability to provide the required collateral guarantee and performance guarantee; being in good standing with the receiver of revenue and the Social Security Commission; and practicing corporate or business strategy.

These results suggest that getting a tender is the core survival of the construction sector and one has to plan and finish the project either through joint ventures, partnerships, acquisitions, subcontracting, or vertical integration.

5.2.3 Strategies to survive may differ from one firm to the other

Both the survey and the in-depth interviews reveal that winning tenders, implementing business strategies such as diversifying markets and clients, and providing high-quality work are critical success factors in this industry.

Based on the results of this study, the 5 best strategies that were recommended from both the surveys are as follows in descending order:

1. Clients and main contractors must pay SMEs on time to overcome payment delays.
2. Financial training is important to prevent SMEs from falling into financial crises.
3. SMEs businesses need to hire more qualified staff in their businesses
4. SMEs need financial assistance with conditions different from commercial banks' conditions.
5. SME's can improve themselves by applying strategic management to facilitate their growth and development.

5.3 Implication of the study

This study has implications for academic theories, policy makers, and practice. The study provides a more precise and less biased representation of the challenges faced by SME contractors' ways of surviving in the construction industry and strategies that can be used to improve the challenges faced.

Academics can find ideologies in pinpointing the theoretical foundations that will be used in further studies on the challenges faced by SMEs in the construction industry and strategies or business models that can be implemented to improve the performance of SMEs so that they can deliver projects on time, within budget, and at an acceptable standard. Further studies can be conducted to assess the impact of delayed payment on the project or the business strategies that are best suited to be used by SMEs in the construction industry.

The findings of this study have implications for policymakers as well, given that the government is the second largest client and that the construction industry is not regulated, as revealed by the interview results. Policy makers can be sensitized to action or facilitate the implementation of the construction industry regulations.

Although the country is faced with economic depression, the result of this study emphasized that clients and main contractors must pay SME contractors on time, evenly distribute work, and allow the government to regulate the industry. SMEs can improve themselves by attending financial training, hiring qualified staff, and applying strategic management principles to their planning. If they are implemented, these recommendations can improve practice.

5.4 General conclusions

The findings of this study revealed that SMEs in Windhoek are faced with challenges arising from financial factors. These are the lowering of tender prices during tender, low profit margin due to completion, delays in payment for the work done, limited access to finance, lack of capital, collateral, being unable to secure guarantees for awarded jobs, and the high cost of inputs. Project related factors found from this study are unavailability of work opportunities and incomplete scope of work that leads to variations. The technical and managerial factors obtained from the findings of this study indicate a lack of capacity to deliver the project.

Getting tenders, practicing business strategy (for instance, diversifying markets and clients), and providing quality work were the key success factors for surviving in this industry.

Strategies that can be implemented to improve the performance of SMEs are that clients and main contractors must pay SME contractors on time, evenly distribute work, and allow the government to regulate the industry. SMEs can improve themselves by attending financial training, hiring qualified staff, and applying strategic management principles to their planning.

5.5 Recommendations

SMEs are primarily challenged by financial issues; it is advised that;

- Clients and main contractors must pay SME contractors on time to avoid payment delays. Delayed payments force SMEs to borrow money from banks to honor their

contractual obligations and run their businesses. This further puts SMEs under pressure because borrowed money comes with interest.

- Financial training is also recommended to instill discipline and prevent SMES from falling into financial crisis. Training will improve their skills to manage their funds and bookkeeping.

- The growth and success of SMEs in the construction industry depends on the company getting tenders. Currently, the industry is faced with a shortage of work and tenders. It is advised that SMEs diversify their markets or be subcontracted for work.

- The ability to get a tender is by providing documentation that is required in tender conditions, like performance guarantee and good standing certificates.

- SMEs need to hire more qualified staff in their business to help with the technical know-how of running a project, bookkeeping, and financial accounting.

- SMEs can improve their business by applying strategic management to facilitate their growth and development.

- SMEs need financial assistance conditions with conditions different from those of commercial banks. This is because financial assistance from commercial banks has a high interest rate and also requires collateral.

- The industry needs to be regulated as currently there is no guidance. Unregulated industries lead to unfair competition that can disadvantage SMEs.

5.6 Future Studies

Further studies can be conducted in the following areas to go in-depth:

1. To assess the impact of delayed payment on the project, and

2. To investigate the business strategies that are best suited to be used by SMEs in the construction industry despite the challenges that they face.

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ANNEXURE 1: QUESTIONNARE

Dear Sir/Madam

SUBJECT: REQUEST TO COMPLETE QUESTIONNAIRE FOR STUDY PURPOSES

My name is Katrina Thomas and I am studying toward a MASTERS OF BUSINESS ADMINISTRATION IN BUSINESS STRATEGY, at the University of Namibia. I am currently doing research on challenges faced by SMEs contractors that operate in Windhoek. As part of my thesis requirement, I am required to collect data from owners or foremen of the SME contractors that operate in Windhoek. Your firm has been selected for this purpose.

I would appreciate if you could kindly afford me an opportunity to complete my survey attached. Please be informed that these questionnaires are being used for academic purposes only and your identity will not be disclosed to any party other than to the researcher.

Your co-operation will be much appreciated.

Yours Sincerely,

Katrina Thomas (0813353796)

CHALLENGES FACED BY SMES CONTRATORS THAT OPERATES IN WINDHOEK QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

Tick in the appropriate box

1. Indicate your gender

Female	
Male	

2. Years of Experience of the Participant

0-5 years	
6-10 years	
11-20years	

Above 20 years	

3: Size of the Workforce

1-10 employees	
11-30 employees	
31-100 employees	

2. Have you carried out a project in Windhoek?

Yes	
No	

3. Who was the client for the project carried out in Windhoek

Government	
Private	
Both Private and Government	
Others	

4. Types of construction work

Building or Civil Contractor	
Specialist contractors (Electrical, Electronics, Mechanical, Joinery, etc)	

5. What is your highest qualification?

Grade 12 or below	
Vocational Training	
Diploma in Engineering	
Degree in Engineering or above	
Non engineering qualification	

6. What is your annual turnover?

N$0 to N$300,000,	
N$300,001 to N$3,000,000	
N$3,000,001 to N$10,000,000	
Above N$10,000,000	

SECTION B

CHALLENGES FACED BY SMES IN CONTRACTORS THAT OPERATES IN WINDHOEK

Directions: On this section, please indicate your level of agreement or disagreement with each of these statements regarding challenges faced by SMEs in the contractors that operates in Windhoek. Place an "X" mark in the box of your answer.

Please note: **SA**= strongly agree, **A**= Agree **N**=Neutral, **D**= Disagree and **SD** = strongly disagree

	Challenges	**SA**	**A**	**N**	**D**	**SD**
1	There was high competition during tendering					
2	The firm poorly priced the Bills of Quantits					
3	The firm had low profit margin due to competition					
4	The firm had limited access to finance					
5	There were delays in payment for the work done.					
6	Interest on late payment claimed was paid.					

7	The work done was undervalued.					
8	The firm lacks capacity to deliver the project					
9	The client assigned incompetent consultant to projects (Poor monitoring and control).					
10	The project was suspended.					
11	The project has high cost of inputs (Materials, tools, labour and Machinery)					
12	Contract conditions are burdensome.					
13	Project scope was changed.					
14	Financial demands from political heads/Client representative (Frauds/pilfering or corruption)					

SECTION C

HOW DO SMES CONTRCTORS COMPETE FOR SUCCESS?

Directions: On this section, please indicate your level of agreement or disagreement with each of these statements regarding the way SMEs contractors that operates in Windhoek competes for success. Place an "X" mark in the box of your answer.

On this section you are required to tick in the appropriate box, **SA**= strongly agree, **A**= Agree **N**=Neutral, **D**= Disagree and **SD** = strongly disagree

	Success factors	**SA**	**A**	**N**	**D**	**SD**
1	Entities that practice corporate or business strategy have the potential to grow and develop into reputable entities					
2	SMEs in construction industries must advance corporate and business strategies such as joint venture partnerships, acquisitions, subcontracting, vertical integration					
3	By lowering the tender prices at tender stage, you are more likely to be awarded the tender.					
4	SMEs in the construction industry to get tenders depends on their ability to provide the required collateral guarantee, performance guarantee, be in good standing with the receiver of revenue and the Social Security Commission.					

5	The growth and success of the SMEs in the construction industry depends on the companies getting tenders					
6	Business that fails to drive good planning practices and tools forward will also find it difficult to compete in good conditions					
7	For every business to succeed regardless of the size, that it needs a strategy to act as a compass to improve on their business performance as well as gain competitive edge over other businesses					

SECTION D

What strategy could be implemented to improve the SME performance in the construction's projects in Windhoek?

Directions: On this section, please indicate your level of agreement or disagreement with each of these statements regarding the way SMEs contractors that operates in Windhoek competes for success. Place an "X" mark in the box of your answer.

On this section you are required to tick in the appropriate box, **SA**= strongly agree, **A**= Agree **N**=Neutral, **D**= Disagree and **SD** = strongly disagree

	Strategies	**SA**	**A**	**N**	**D**	**SD**

1	Government should introduce capacity building training programme to strengthen SME capacity and leadership skills to sustain the SME as businesses.					
2	SMEs can improve themselves by applying strategic management to facilitate their growth and development					
3	Government direct intervention can affect market dynamics and violate the purpose of a free-market economy					
4	Strategic management plays a significant role in building up the competitiveness of small and medium-sized enterprises					
5	Financial training is important to prevent SMEs from falling into financial crises					
6	Clients and main contractors must pay SMEs on time to overcome payment delays.					
7	SMEs businesses need to hire more qualified staff in their businesses					
8	SMEs must pay attention to competitive market activities and use large enterprises supply chain management strategies when developing business strategies.					
9	The conditions of contract to be translated into local languages and be made available at a cost, so that all SMEs					

	owners can be able to read and understand the conditions of contract.					
10	SMEs need financial assistance with conditions different from commercial banks conditions.					

Thank you for participating in the survey. Please send the completed questionnaire back to me.

APPENDIX 2: ETHICAL CLEARENCE FORM UNAM

NBS
NAMIBIA BUSINESS SCHOOL
UNIVERSITY OF NAMIBIA

28 July 2021

TO WHOM IT MAY CONCERN

Re: MBA Management Strategy ,Student – Ms. Katrina Thomas Student Number. 200226771

As part of our MBA Programme, students are expected to submit a research report after completion of their course-work. They need to explore in detail, some concepts and issues pertaining management strategies. To do that effectively, they need to conduct interviews and obtain practical examples.

Ms. Thomas has chosen your organization to approach for information. It is against this background that I wish to kindly request you to assist Ms. Thomas with the information she requires. Accept our assurance that the data will be used for academic purposes only. A copy of the completed document will be available at the Namibia Business School for perusal. Her research synopsis indicates that her topic touches on "An investigation of the challenges faced by the SMEs constructors in the construction industry, Windhoek".

Your kind assistance is highly appreciated.

Yours sincerely

NAMIBIA BUSINESS SCHOOL
NBS
28 JUL 2021
ACADEMIC SERVICES
UNIVERSITY OF NAMIBIA
Inspiring Minds & Shaping the Future

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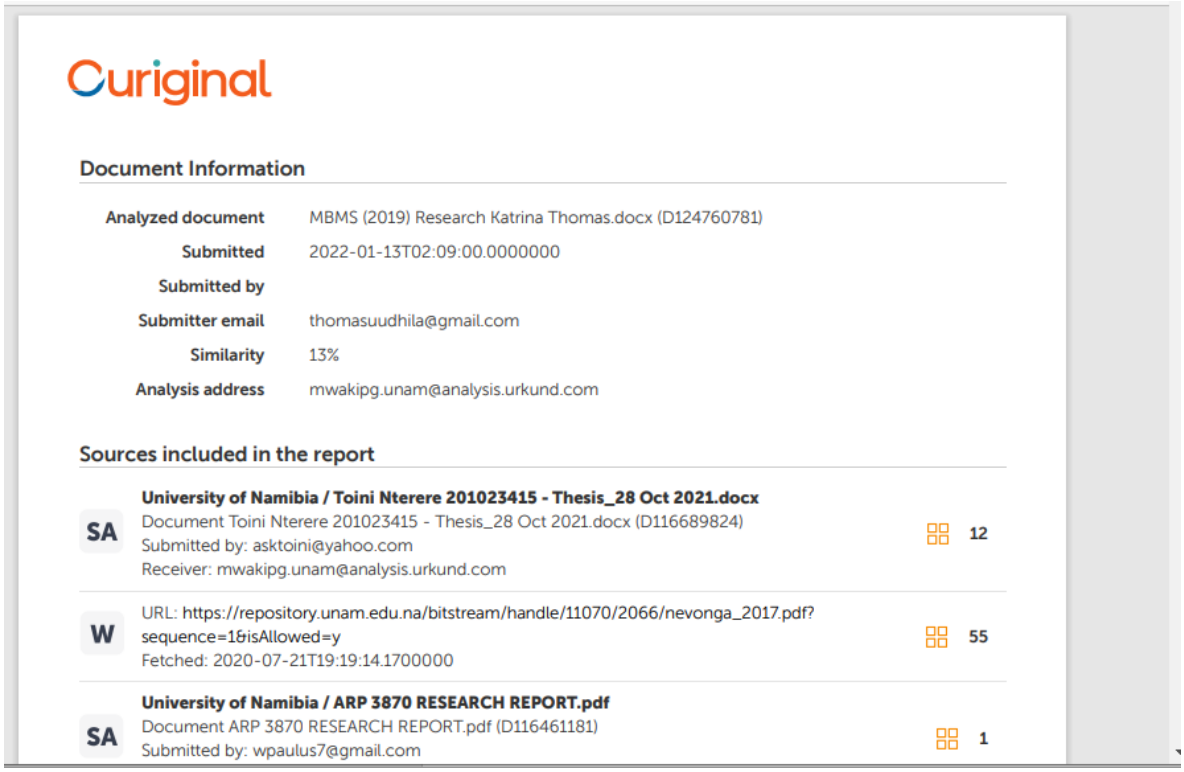
APPENDIX 3: PLAGIARISM CHECK



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Document Information

Analyzed document	MBMS (2019) Research Katrina Thomas.docx (D124760781)
Submitted	2022-01-13T02:09:00.0000000
Submitted by	
Submitter email	thomasuudhila@gmail.com
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Sources included in the report

SA	**University of Namibia / Toini Nterere 201023415 - Thesis_28 Oct 2021.docx** Document Toini Nterere 201023415 - Thesis_28 Oct 2021.docx (D116689824) Submitted by: asktoini@yahoo.com Receiver: mwakipg.unam@analysis.urkund.com	12
W	URL: https://repository.unam.edu.na/bitstream/handle/11070/2066/nevonga_2017.pdf?sequence=1&isAllowed=y Fetched: 2020-07-21T19:19:14.1700000	55
SA	**University of Namibia / ARP 3870 RESEARCH REPORT.pdf** Document ARP 3870 RESEARCH REPORT.pdf (D116461181) Submitted by: wpaulus7@gmail.com	1

ANNEX 4A: NOTICE OF INTENTION TO SUBMIT THESIS/DISSERTATION FOR EXAMINATION (To be completed by student)

CENTRE FOR RESEARCH SERVICES

Date 11.10.2021

The Chairperson

School Admission Assessment and Graduation Board

The University of Namibia, Private Bag 13301 WINDHOEK Namibia

Dear Associate Dean,

NOTICE OF INTENTION TO SUBMIT THESIS/DISSERTATION FOR EXAMINATION

I, Katrina (Yudhila) Thomas (Student no. 2002 26 771) hereby notify the Admission Assessment and Graduation Board of my intention to submit my thesis / dissertation on 31.10.2021 (date) for examination. I attach the abstract of my thesis/dissertation.

The title of my thesis/dissertation is: An investigation of the challenges faced by the SME contractors in the construction industry, Windhoek

Katrina Thomas — 11.10.2021

Name of Student — Signature — Date

Dr Moses Chirimbana — 21 October 2021

Name of Supervisor (Main/Co-) — Signature — Date