AN INVESTIGATION INTO DEFAULTED STUDENT ACCOUNTS RECEIVABLE AT THE UNIVERSITY OF NAMIBIA

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE

REQUIREMENTS FOR THE DEGREE OF

MASTER OF SCIENCE IN ACCOUNTING AND FINANCE

OF

THE UNIVERSITY OF NAMIBIA

BY

ROSA M. SHILONGO

STUDENT NUMBER: 200327453

APRIL 2018

SUPERVISOR: PROFESSOR NEETA BAPORIKAR

ABSTRACT

Tertiary education has become increasingly important, and is seen nearly everywhere as the engine of every country's economic growth. Despite the universal importance of tertiary education, fundamental financial problems, such as student debt, faced by institutions of higher education are experienced worldwide. The primary purpose of this study was to investigate the defaulted student account receivables at the University of Namibia (UNAM). Furthermore, the reasons investigated were whether the course enrolled for had been completed, the type of financial sponsorship, the mode of offering (part-time, fulltime and distance learning), gender, age and the educational level of the parents. A third aim of the study was to suggest strategies to improve the collection of student accounts receivable at the UNAM.

This study was conducted by taking a quantitative research approach. The studied sample consisted of 159 UNAM students whose last registration was in the 2012 academic year and who defaulted on the payment of their accounts; five administrative staff members from UNAM Student Debtors Section were also part of the sample. A random sampling method was employed in this study to select the student respondents as well as purposive sampling to select the staff members. The collected data were analysed by using the Statistical Package for Social Sciences (SPSS), and the technique used for data analysis was the Chi-square test. In particular, there was a significant relationship between defaulting to pay and aspects, such as whether the course enrolled for was completed, financial sponsorship and the mode of study. Gender, age and the educational level of parents showed an insignificant relationship with defaulting to pay. Furthermore, the study concluded that reasons for defaulting to pay

were due to inadequate personal income and financial assistance, an increase in tuition fees, tertiary education being expensive, as well as decisions by the university management which contributed to an increase in student fees.

ACKNOWLEDGEMENTS

First and foremost, I would like to express my sincere gratitude to my supervisor, Prof. Neeta Baporikar, and Dr Udai L. Paliwal, the former Dean, for the continuous support in conducting this research, as well as their patience, enthusiasm and immense contributions to the finalisation of this thesis.

My sincere thanks go to Prof. Möwes, Prof. Heikkie Heino, as well as Prof. Sharma for opening up the world of research to me and for helping me overcome setbacks and remain focused on my studies. I owe deep gratitude to Dr Marina Muller for assisting me with the data analysis and Mr Job Jansen for giving me an opportunity and encouraging me to take up my studies.

Similarly, I would also like to express my special gratitude and thanks to Mr Shali Kapepo, Mr Sindano Katali, Miss Saartjie Ausiku and Ms Sharon Tjiuesa for their continued inspiration throughout my period of study.

Finally, I would like to thank my parents, my sister and brothers for their support and generosity.

DEDICATION

I dedicate this work to my mother, Diana, and my father, Berthold Shilongo, who have emphasised the importance of education. I further dedicate this to my sister, Laina Shilongo, for her unwavering support throughout my studies.

DECLARATION

I, Rosa M Shilongo, hereby declare that this study is a true reflection of my own research, and that this work, or part thereof, has not been submitted for a degree in any other institution of higher learning.

…… Date……

LIST OF ACRONYMS

CDC	Centre for Disease Control and Prevention
IUM	International University of Management
NANASO	The Namibia Networks of AIDS Service Organizations
NSFAF	Namibia Student Financial Assistance Fund
NSFAS	National Student Financial Aid Scheme of South Africa
NUST	Namibia University of Science and Technology
SADAC	Southern African Development Community
SMS	Short Message Services
UNAM	University of Namibia
USA	United States of America
SPSS	Statistical Package for Social Sciences
ZAR	South African Rand
N$	Namibian Dollar

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER 1

INTRODUCTION

1.1 Orientation of the study

The University of Namibia (UNAM) was established in August 1992, under Act No.18 of 1992. According to Du Pisani and Gretchel (2003), the Academy for Tertiary Education, which was called the "Academy", the immediate predecessor to UNAM, was founded in 1980. The Academy converted into a tripartite university, technicon and vocational college under one management, and consisted of five faculties, namely Arts, Science, Economics and Management Science, Education and Health Science. After the appointment of the presidential commission on higher education in 1991, the Academy was renamed the University of Namibia, which is currently the leading national institution of higher learning in Namibia (Choombe, 1993).

The student population enrolled in 2014 at UNAM hailed from different countries, such as Zambia, Botswana, Angola, USA, Finland, Germany, among others. Although a young university, UNAM has grown to support a student population of about 19 000 students. The UNAM general information and regulations prospectus (2014) shows that the university consists of eight faculties and five schools, namely the Faculties of Agriculture and Natural Resources, Economic and Management Sciences, Education, Engineering, Humanities and Social Sciences, Law, Science and Health Sciences. The five schools are the schools of Medicine, Nursing and Public Health, Pharmacy, Computing Science and Military Science.

Tertiary education has become increasingly important and is seen nearly everywhere as the engine of every country's economic growth. Despite this universally recognised importance, Johnstone (2003) states that fundamental, financial problems, such as student debt faced by institutions of higher learning, are universal.

Yammeesri and Kang (2008) assert that student fees are one of the most important resources institutions of higher learning need in order to improve the quality of learning and teaching. They argue that universities need more money than they receive from government as subsidies; hence, students need to pay their tuition fees. Furthermore, universities are likely to run into financial instability if fees owed to them are not collected.

Namibia has three main institutions of higher learning, namely, UNAM, the Namibia University of Science and Technology (NUST) and the International University of Management (IUM). These institutions are subsidised by the government through the Ministry of Higher Education Training and Innovation. UNAM's revenue is made up of an approximate 72% contribution from the government as subsidy, 15% from students receiving financial assistance from the Namibia Student Financial Assistance Fund (NSFAF), 7% from other income and 6% from the tuition fees of bursary holders and private students. Moreover, other institutions consistently funding UNAM students are the Ministry of Health and Social Services (Namibia Global Fund Programme, Center for Disease Control and Prevention (CDC), the Ministry of Defence and the UNAM Scholarship.

1.2 Statement of the problem

Over the past decade, institutions of higher learning worldwide have experienced difficulties in collecting outstanding student debt. The total student debt outstanding in the United States of America at the end of 2013 was U$1.08 trillion (Brown, Haughwout, Lee, Scally, & Van Der Klaauw, 2015).

The situation in African universities appears to be similar. South African universities face serious challenges, such as student protests against high tuition fees and a lack of financial aid, while owing hundreds of millions in ZAR (South African Rand). At 31 December 2015 student debt for tuition fees at the top eight South African universities was ZAR 711 million. More than ZAR 70 million in fees were owed to Rhodes University, ZAR 135 million to Wits and at the North-West University ZAR 11 million was owed by students at the end of the 2014 financial year. Subsequently, Stellenbosch University handed over ZAR 59 million in uncollected debt to debt collectors, wrote off ZAR 6.8 million and had remained with ZAR 73.2 million that students owed (How much money students owe South African universities, 2015).

The student debt in Namibian institutions of higher learning echoes a similar picture as those in other countries. In 2016, the UNAM student debt was standing at N$ 255 million which was attributed to the decision taken by the Ministry of Higher Education to reduce the registration deposit (Student debt at UNAM stands at 255 million dollars, 2016). Moreover, it was reported that NUST had an outstanding amount of 149 million dollars of unpaid student fees in 2016 (NUST student debt escalates to N$149 million, 2016). In 2010, the UNAM management approved a write-off amount of N$8 million in bad debt which was effected in early 2012. This was an accumulated amount for all outstanding student accounts receivable

from the inception of UNAM up to 2006. The problem of student debt continues to escalate, which hampers the recovery of such debt.

The UNAM (2012) internal audit report on long-outstanding student debt raised a great concern as this was expected to result in escalating debt which may obstruct the timeous recovery of debts which, in turn, will lead to a high amount having to be written off. According to Majiedt (personal communication, January 19, 2015), there has been an increase in students defaulting on payments, as the outstanding debt at the end of 2012 was about N$ 7 600 000, at the end of 2013 N$ 11 500 000 and at the end of 2014 N$ 15 000 000. Student debt at UNAM remains a huge challenge for the Student Finance Section, as it increases yearly. Therefore, there is a need for proper identification and implementation of best practices or strategies for the repayment of student debt.

It is against this background that this study sought to determine the reasons why students default in payments and to help remedy the situation by suggesting possible recovery strategies.

1.3 Objectives of the study

In light of the problem statement above, the main objective of this study is to investigate the reasons for students defaulting on accounts at UNAM and to help remedy the situation by suggesting possible recovery strategies. The study has two secondary objectives:

1. To determine whether there was a significant difference in the reasons for defaulting on the payment of student fees when broken down on the basis of the following:
a) whether the course enrolled for was completed;
b) the kind of financial sponsorship;

c) the mode of study (part-time, fulltime and distance);

d) gender;

e) age;

f) the educational level of parents.

2. To suggest strategies to improve the collection of student accounts receivable at UNAM, based on the responses from staff members in Finance and students who have defaulted on their accounts.

1.5 Significance of the study

The purpose of this study was to investigate the reasons for defaults on student accounts receivable at the UNAM. This investigation also determined whether there was a significant difference in students defaulting on payment when one looked at students' background characteristics (whether the course enrolled was for completed or not, their age, gender, financial assistance, the mode of study and qualification levels of their parents), as well as the reasons for defaulting. Finally, the study suggests strategies to improve the collection of student accounts receivable at UNAM. The findings of this study offer policy makers in institutions of higher education in Namibia more informed perspectives regarding the theories/framework for managing student accounts receivable.

The results of this study could as well aid administrators of higher education to plan and develop strategies to improve the collection of outstanding student fees. It is expected that this study will assist private and public financial institutions who give loans, parents, students, societies, other countries, as well as universities worldwide, including the institutions in Namibia, to realise the need for being more deliberate in the effective management of student accounts receivable.

The study contributes towards the understanding of the requirements for the effective collection of student accounts receivable, reducing bad debt losses and improving cash flow management at institutions of higher education.

1.6 Limitations of the study

Since the study was based on one institution only, a small sample was studied. As such, it was not feasible to study all defaulted student accounts handed over in order to attain a broader understanding of the reasons why the students defaulted on paying.

In addition, the results cannot be generalised to universities or colleges other than UNAM. Other limitations that need to be taken up at this point were the limited time period of the study for data collection and developing the report.

1.6 Definitions of terms and concepts

Bad debts – refers to accounts receivable (or trade accounts receivable) that will not be collected (Horngren, Harrison, Oliver, Best, Fraser, & Tan, 2012)

Cost-sharing– "Cost-sharing is most associated with tuition fees and "user charges," especially for governmentally- or institutionally-provided room and board. It therefore refers to a shift of at least some of the higher educational cost burden from governments, or taxpayers, to parents and/or students. Cost-sharing is thus both a statement of fact—that is, that the costs of higher education are shared among governments (or taxpayers), parents and students" (Johnstone & Marcucci, 2007,p. 16).

Student Accounts Receivable - Charges which are mandatory for all students registered on a full time, part-time or distance mode of study who owe money to the university (University of Namibia : Debtors policy in draft and not approved, 2011)

Student Account Section – A section responsible for the set-up of all student fees pertaining to the charging of fees against student accounts, the administration of student accounts, as well as the collection of all fees in accordance with approved decisions by council (Student Accounts Administration Forum, 2010). In this study, the naming convention concerning "Student Fees Section" or "Student Debtors Section" is used interchangeably.

Write-off – A transaction that removes an account which management has determined to be uncollectable from the universities financial accounting record (Lynch, 2017).

Council - the highest body of decision-making at a university (Student Accounts Administration Forum, 2010)

Tuition fees- Compulsory student charges used to support instruction and related education activities, such as research, student services, academic support, operation and maintenance of facilities (State Council for Higher Education for Virginia, 2010)

1.7 The Structure of the thesis

This thesis is divided into five chapters. The first chapter has outlined the orientation of the study, given the statement of the problem, objectives, significance of the study, limitations of the study and definition of terms. Chapter two provides a theoretical perspective of the study and a brief review of the literature and chapter three is the methodology which illustrates the choice of sample size and sampling techniques utilized. This thesis is divided into five chapters. The first chapter has outlined the orientation of the study, given the statement of the problem, objectives, significance of the study, limitations and definition of terms.

Chapter 2 provides a theoretical perspective of the study and a brief review of the literature.

Chapter 3 discusses the methodology which illustrates the choice of sample size and sampling techniques utilised.

Chapter 4 comprises the presentation of results.

Lastly, Chapter 5 embodies the summary, discussion, implication for practice and policy, recommendations for future research and conclusions.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to review and provide an understanding of literature regarding defaulted student accounts receivable, as well as to direct discourse on a number of related, theoretical issues based on the general literature in this field. While the next section 2.2 will look at the theoretical perspective of the Structural-Functional Theory and Student-Institutional Fit Model, Section 2.3 shows the UNAM model for the collection and payment of student fees. Section 2.4 focuses on a discussion of the influence of institutional and student characteristics on the reasons for defaulting on payment. Section 2.5 presents the proposed conceptual model and Section 2.6 the research hypotheses. Section 2.7 discusses the strategies that can be implemented to improve the collection of student accounts receivable.

No research has been done on defaulting on student account receivable in Namibia; however, studies, mostly on student loans default, have been done outside Namibia.

2.2 Theoretical perspective

Two theoretical perspectives, namely the Structural-Functional Theory and Student-Institutional Fit Model, were chosen as theoretical perspectives for this study.

2.2.1 The Structural-Functional Theory

The structural-functional approach is a perspective that sees society as a complex system whose parts work together to promote solidarity and stability. This approach further asserts that our lives are guided by social structures, such as institutions of higher learning, which are relatively stable patterns of social behaviour. Structural functionalism divides society into

functional units, such as family, government, education (that includes universities), economy, religion and science. The members of each functional unit are aware of their specific roles and duties, such as the payment of debts, and they also share common, cultural beliefs and social norms. Sinurova, Berman, Tusikov, Gayasova, Stayshkina, Medvedeva, and Frolova (2016) analysed the quality of university management in the period of the transformation of higher education in Russia. They reveal that the structural-functional model provides a best-quality management of institutions, and creates transparency for the external and internal environment management system. Education, for example, has several important functions in a society, such as socialisation, learning and social placement. In this way the system maintains its stability and reproduces itself over time through socialisation within the family unit and by social control through peer groups and polity. Abrupt or unexpected social change, such as the inability of students to pay their debts, however, can severely disrupt the balance between interconnected institutions (in this case, institutions of higher learning and students) and effect the entire society. When one connects this discussion to student debt at universities, it can be suggested that institutional characteristics exert influence on student choices and behaviour, which includes the repayment of loans (Flint, 1997).

2.2.2 Student-Institutional Fit Model

The Student-Institution Fit Model focuses on individual student traits that help to explain repayment behaviour (Flint, 1997). In order to analyse the Student-Institution Fit Model, one must look at three important sets of factors: a) student characteristics, b) institutional characteristics, and c) the effects of the interaction between student and institution.

Student characteristics include personal attributes, needs, abilities, expectations, interests and values brought to the institution (in this case, the university). Institutional characteristics

include a complex array of physical, academic, social, affective interactions between students and the institution, and even psychological attributes that make up the environment. Pascarella and Terensini (1991) state that the Student-Institution Fit Model explains the role of the institution and individual characteristics as influences on the variety of university outcomes. When students' needs, goals, interests and expectations are adequately met by various campus conditions, then, from the student's perspective, a high degree of fit exists. Likewise, when student academic and social abilities relate well with institutional requirements, then, from the institutional perspective, fit between student and institution also exists (Pascarella & Terensini, 1991).

Because this study involves reasons for defaulting on payment at institutions, and considers how those reasons are influenced by selected student characteristics, these theoretical frameworks are especially appropriate. The Structural-Functional Theory and Student Institutional Fit Model relate to this study's problem statement, signifying the high number of outstanding student accounts at the UNAM. Analysing the relationship between the reasons for defaulting on payment and student characteristics may help solve the problem.

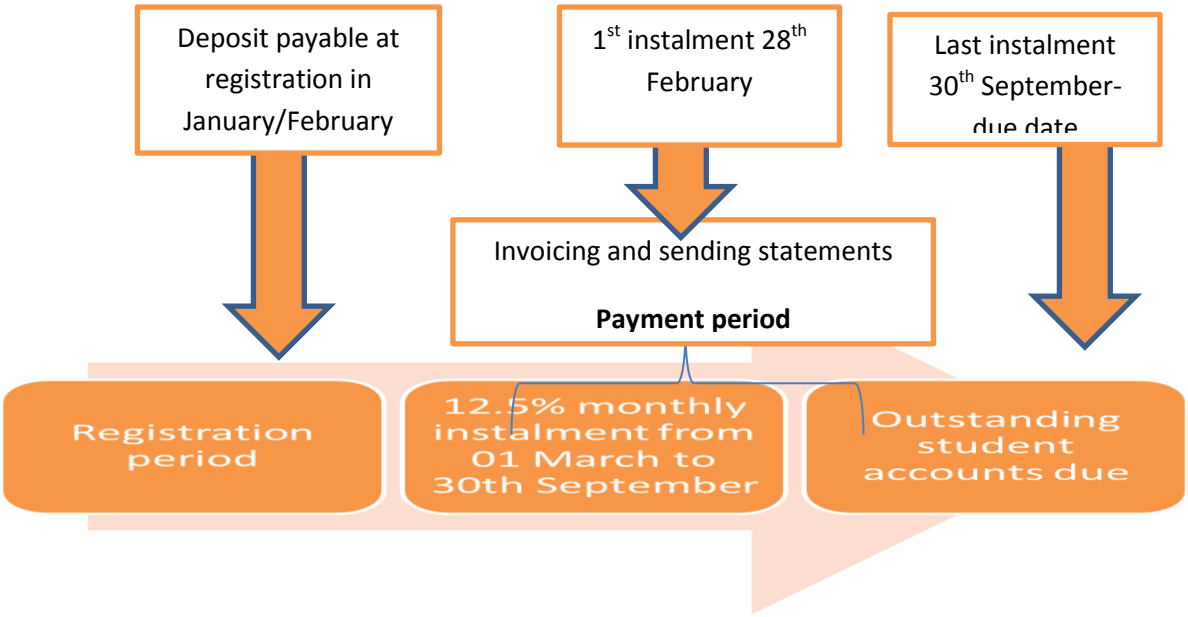
2.3 The collection-and-payment-of-student-fees model of UNAM

The aim of this section is to determine how students' accounts receivable are managed by UNAM. Knowing the weaknesses in the model will help the researcher to identify best practices regarding repayment in order to improve the collection of student accounts receivable.

According to Karlsson (1996 as cited in Lamberg & Vålming, 2009), accounts receivable can be seen as assets since they are convertible to cash at a future date. When there is a build-up in receivables, funds that could otherwise be put to more efficient use in the institution are

unavailable. Figure 1.1 below illustrates the model UNAM uses for the collection of accounts receivable. This model is based on the Cash Management Model of Karlsson (1996). After the academic registration period, the time in which receivables are tied up, can be divided into three categories:

Figure 1 - UNAM collection of fees model (adapted from Karlsson, 1996)



The first phase is the registration period, which is the time allocated to students to pay the compulsory deposit on tuition fees. UNAM required each Namibian student to pay a compulsory deposit of N$ 3 550.00, while it is expected from international students to pay N$ 5 000.00 in 2015 academic year. The second phase is the payment period allocated to students to settle their accounts. The 12.5 % refers to the percentage the outstanding amount after deducting the deposit which should be settled in equal installments or alternatively settle the entire balance on or before 30 September each year. At least 12.5 % of the total outstanding amount is payable on the last day of the months of March, April, May, June, July, August, September. Sponsored students either settle outstanding amounts initially or in two

installments. The last category is when the accounts are overdue (UNAM fees prospectus, 2016).

The above payment system applies to students who are not sponsored. Sponsored students are allowed to register without the required deposit. Although the requirements are in place, special considerations are given to such students.

Supporting the above, Karlsson (1996 as cited in Lamberg &Vålming, 2009) points out that the longer the period to settle payments, the more risk of uncollectable debt the institution faces. He further adds that, in order to minimise this risk, institutions should try to cut the period of payment, and if it cannot be done, an adjustment of the price of services should be made to compensate for the added risk. It is common that institutions accelerate the collection of money by shortening the collection period. In cases where institutions do not work actively to cut the collection period, it will take longer for the institution to receive payments, which reduces cash flow and which may also result in liquidity problems. Despite having the above model in place, outstanding student debt is still a great concern at UNAM (UNAM internal audit report, 2012) and the defaulted student accounts receivable are no longer only a challenge for the debtors' section, challenge but rather has a devastating impact on the university's future cash flow.

2.4 The influence of institutional and student characteristics regarding defaulting on payment

The various reasons for defaulting on payment are presented, based on studies carried out by different researchers (Albrecht & Ziderman, 1991; Brits, 2013; Calitz & Fourie, 2016; Chapman 2006a; Christman, 2000; Dong & Herr & Burt, 2005; Flint 1994; Flint, 1997; Garcia 2016; Gross, Cekic & Hillman, 2009; Harrast, (2004); Jariah, Husniyah, Laily & Britt,

2004; Lochner & Monge-Naranjo, 2008; Meyer (1998); Migali 2006; Podgursky, Ehlert, Monroe, Watson & Wittsruck, 2002; Rhode & Menon, 2005; Steiner & Teszler, 2003; Steiner & Tym 2005; Volkwein 1995; Volkwein & Szelest, 1995; Wan, 2012). Most of these studies show a link between reasons for default, institutional and student characteristics and defaulting.

Dong and Wan (2012), in their study, assessed recent trends in China's higher education and tuition fees. They found that the reasons for high student debt at university was driven by the dramatic increase in tuition fees, as well as the lower paying ability of students from low-income families and rural areas to pay, resulting in students defaulting on paying their fees. It thus indicates a positive relationship between student default and the increase in tuition fees, as well as the lower ability of students from low-income families to pay. Student-Institution Fit Model that explains the characteristics of the students can be seen in the above study through the variables presented. Moreover, the cited authors posit that due to the imperfection in China's current subsidy system, the education remains in a "high-charging and low subsidising mode" (Dong & Wan, 2012, p.6). This mode promotes high student debts at universities, as it causes a number of students to be assisted financially with paying their tuition fees. Furthermore, the structural-functional approach suggests that organisational characteristics, such as the subsidy system, may influence students' repayment behaviour.

Paralleling the above, a study investigating whether the students were justified in their claim of high tuition fees reports that student fees are extremely expensive (Calitz & Fourie, 2016). In addition, such an increase has not been softened by related increases in household's earnings.

Previous research has determined that demographic characteristics relate significantly to defaulting on payment. A study on defaulters at the University of South Florida by Steiner and Tym (2005) developed a model by using multivariate analyses to predict student default on the payment of tuition fees. The purpose of this study was to assist the University in identifying students who were most likely to default. In addition, variables, such as the marital status of the parents, number of dependents, age and father's education level affected the student's probability to default on payment. Although the findings are speculative, fathers who are well educated may have a higher earning job which relates to family income. Although the educational levels of both parents (mother and father) were tested, the mother's high education level was found not to be statistically significant. In support of the findings above, Gross, Cekic and Hillman (2009) also found that students who had children or other dependents (brothers and sisters) were expected to have more financial obligations when compared to those who did not have dependents, therefore, resulting in a greater probability to default on payment. Paralleling the above, Flint (1994) conducted a study on why students defaulted on payment by using 95 students who were Stafford borrowers in the United States of America (USA). The study found that students from low-income families were generally receptive to borrowing, and amounts borrowed might also relate to student loan default. The most common reason for defaulting on payment was identified as the inability of the borrower to repay the loan for lack of sufficient income. Drawing from the above findings, a positive relationship was established between reasons for defaulting and the inability of the borrower to repay the loan for lack of sufficient income.

Rhode and Menon (2005) conducted another study at the University of the North on the financial management of the institution. They found that students defaulted on payment due to

the rising cost of tuition fees, despite efforts by NSFAS to address the issue of increasing student debts by awarding loans. Unfortunately NSFAS was only able to award loans to a limited number of students, resulting in some students' fees not being paid. Thus, a positive relationship exists between student default on payment and the rising cost of tuition fees.

Although historical circumstances have changed, and the once strong belief that free tuition was necessary to preserve equitable access, more and more universities see the economic rationale behind increasing tuition fees, which can contribute to students defaulting on payment. However, political interference prevents them from implementing such changes. This is due to the fact that increasing cost recovery – either for living expenses or for instructional costs – can lead to large student unrest that runs the risk of spilling over into protest against government as a whole (Albrecht & Ziderman, 1991).

Furthermore, during 2015 "A CLUSTER OF NEW STUDENT ACTIVIST GROUPS" at South African universities arose attributing to a "Fees Must Fall" movement. The student movement demanded free higher education and protested against the rising costs of university fees (Hodes, 2017). To resolve this problem, it has been advocated that student loans would enable students to defer payment for the cost of attending higher education until they are earning income. Depicting from the above, it can be observed that default can be attributed due to political interference.

Furthermore, Jariah, Husniyah, Laily and Britt (2004) carried out a study in Malaysia, investigating the financial behaviour and problems among university students' need for financial education. They found that students did not have sufficient knowledge and skills to manage their financial resources. Furthermore, those students who came from rural areas faced drastic changes in their spending environment when entering college. This study thus

demonstrates an association between defaulting on payment and the lack of sufficient financial knowledge and skills. Contrary to the above findings, Garcia (2016) examined the influence of financial education on the loan borrowing decisions of community college students. The results, however, show that students who completed one or more financial education courses tended to default more than those who had not completed such courses. To this end, the study by Garcia (2016) demonstrates a negative relationship between default on payment and students who had completed one or more financial education courses.

Brits (2013) conducted a study on the factors contributing to student drop-out at a university of technology in South Africa. The results show that 84% of the first year population in 2010, who were National Student Financial Aid Scheme of South Africa (NSFAS) recipients, defaulted on payment mainly because of the late payments of NSFAS funds as students were not able to pay their outstanding accounts while waiting for payments from NSFAS; they, consequently, had to leave the institution prematurely. The results further show that students had not received proper information about registration fees, as well as the availability and location of support services during their studies, prior to the academic registration. The above study indicates that late payments of NSFAS funds positively contributed to the default on payment. In addition, Chapman (2006a) and Migali (2006) found that defaulting on paying tuition fees among students in developing countries was caused by poor record keeping and administrative structures, as well as a lack of qualified personnel. Furthermore, a direct link was found between student default and poor record keeping and administrative structures, as well as the lack of qualified personnel. Institutional characteristics captured by the Structural-Functional Theory are clearly linked to the above findings.

Steiner and Teszler (2003) conducted a study on default behaviour. The study examined the default behaviour of 12 776 undergraduate borrowers who attended Texas A & M in College Station and who entered repayment on the T-G guaranteed Federal Education Family Loan Program during the federal fiscal years 1997, 1998 and 1999. From the findings the researcher notes that the more specific the major, the less probable the student would be to default on his or her loan. In comparison, for students who selected a more generic major, their likelihood to default on payment increased. The researcher speculates that the low probability of student loan default for majors was due to the importance and specific nature of the programme. Another relationship between generic majors and student default on payment was established. This study once again demonstrates the association between institutional characteristics and the Structural-Functional Theory.

In the same study, finishing university studies and obtaining a degree decreased the propensity for students to default on their student loans (Steiner & Teszler, 2003). In their study, they implied that the completion of a degree had an even greater impact. Furthermore, successful completion of the courses forces students to settle their study debts in order to receive their degrees and start applying for employment.

Volkwein (1995) examined several financial aid related variables, such as the receipt of scholarship/grants, whether the borrower partook in work and study and whether the borrower was employed, but found none of these to be significant with relation to student loan default. However, Meyer (1998) discovered that borrowers who received US$ 1 000 from non-loan aid sources had a likelihood to default on payment. In addition, he observed that, as the family contribution of the borrower increased, it resulted in a slight decrease in the chances of

defaulting. Surprisingly, Meyer (1998) found a positive relationship between defaulting on payment and borrowers who received US$ 1 000 from non-loan aid sources.

'Mode of study' refers to the study load of the student whether fulltime, part time or studying through the distance mode (Education and training statistics, 2002). In another study, Macy and Terry (2007) analysed the determinants of the average student debt of college students with a focus on financial, institutional and demographic variables. The results reveal that the demographic variables, such as full-time status, female and African-American, were not statistically significant determinants of average student debt. It could be indicative that the insignificance for female and fulltime variables was due to additional funding opportunities. In this regard, a negative relationship was found between student default on payment and mode of study.

Research on the debt problems of women versus men is a neglected area. In a study conducted by Podgursky, et al. (2002) it was concluded that females were less likely to default on payment than males. Contrary to the above findings, Lochner and Monge-Naranjo (2008), as well as Volkwein and Szelest (1995), report that there was no significant difference between females and males in the likelihood of defaulting on payment. Furthermore, the Student-Institution Fit Model suggests that student traits, such as gender, can help to explain repayment behaviour (Flint, 1997).

According to Christman (2000), Flint (1997), Harrast (2004), Herr & Burt (2005), Podgursky, et al. (2002), Steiner & Tessler (2005), Gross, Cekic & Hillman (2009) regarding what matters in student defaults on payment, nearly all studies that considered the age of the students concluded that, as student age increased, the possibility to default on payment increased. These studies further show that students who were older were more likely to default on

payment which, however, contradicts findings that students who dropped out early as freshmen were more likely to default on payment. The older students tend to have greater financial obligations besides paying for college, and these other expenses, for example, having to support the family may justify their higher tendency to default on payment, whereas younger students have relatively few financial commitments. The above studies show that age has a positive influence on defaulting on payment. Moreover, the Student-Institutional Fit Model and the institutional characteristics can be combined to explain students' defaulting on payment, as demonstrated above by the findings.

From the literature reviewed it was found that reasons for defaulting on payment were ample and mainly related to institutional characteristics, administrative practices and student background characteristics. Almost all these variables are linked to the Structural-Functional Theory and Student-Institutional Fit Model explained at the beginning of the chapter. These variables were the low ability to pay, low income, families from rural areas, an increase in tuition fees, political interference, lack of financial knowledge and skills, late payments by funding institutions, poor record-keeping and a lack of qualified personnel, as well as the course enrolled for (subject major), financial sponsorship, mode of study, gender and age

2.5 Strategies to improve the collection of student accounts receivable

There are a number of strategies that can be implemented to improve the collection of student accounts receivable. The older the accounts receivable become, the more difficult it becomes to collect student debt. Since student accounts receivable at colleges and universities is a systematic problem which is characterised by the problems of frequent occurrences, complexity in settling accounts and involving different people from different offices, in order

to rescue this situation, the university needs to coordinate and ensure that there is good cooperation among staff members in the internal departments (Yan, 2014).

A case study by Van der Schee (2007) demonstrated the concept of customer relationships in the context of higher education and the benefits of adopting a simplified student fee structure in building customer loyalty with students. The study states that, since colleges and universities manage relationships through student service offices, such as the Student Accounts, Student Information (Registrar), Bursary and Accommodation, students observe their value to the institution by interacting with staff members from the different offices. A private college was used in the case study, with about 950 enrolled students. The college fees were unique, with new fees routinely added, since when areas with increasing expenses were identified, students were frustrated because of different charges. The situation exacerbated the negativity surrounding student fee structures and methods of collection. The study suggested a one-time fee approach by simplifying student fees through avoiding long lists of different fees on the students' accounts which resulted in valuable customer relationship management and reduced processing time to create a student bill in the Office of Student Accounts.

For example, Van der Schee (2007) points out that it is important to train staff to provide quality, timely service with extra guidance by cautiously managing a positive relationship with students, which is required in the Student Accounts Office, considering the sensitivity given around making very important payments. The above study by Bontrager concludes that colleges and institutions must live up to their claim that students will experience individual attention and that students are the customers of higher education, and without whom there are no relationships to manage.

In addition, Forest and Kinser (2002) describe the changing landscape of American higher education, arguing that if the gap of tuition fees and financial aid widens, the bursar's role in the organisation becomes increasingly important. The bursar must take a proactive role with assisting students who have financial concerns, by arranging a deferred payment programme or recommending a repayment strategy. In addition, he should provide students with invaluable advice about how to meet the rising cost of tuition.

All types of communication, such as phone calls, Short Message Services (SMS), websites and emails, are good strategies. DeVaney (2006) argue that one-on-one contact works for certain individuals but others rather prefer impersonal contacts, such as electronic mail. They further explain that, to improve communication with students, one has to conduct face-to-face meetings with students, informing them about the university websites where vital information concerning fees are shown, as well as making use of emails to contact students throughout the year of enrolment. Constant communication increases the bond that the student has with the university. For example, Gross, Cekic and Hillman (2009) stress that, while maintaining a good relationship with students is necessary, the institution should also focus on identifying high-risk students by organising intensive counselling sessions which create payment attitudes that discourage students from defaulting on paying their tuition fees. In general, such platforms would assist students as they are reminded of their payment obligations.

Early campaigning related to the payment of outstanding student fees is very important (Brachfield, 2004). Brachfield (2004) further advocates that the university should encourage students to pay even small amounts already from the beginning of the academic year to enhance payment habits and avoid huge outstanding balances. Paralleling the above, Karlsson (as cited in Lamberg & Vålming, 2009) states that early campaigning should be done by

invoicing and sending out statements on time and frequently minimising the risk for students to default on payment.

Since students who drop out default more on payment, as pointed out by the discussed literature, Nyahende (2013a) supports the above and proposes that students should be encouraged to perform well in their studies to avoid defaulting on payment, especially those in their first year of enrolment.

Another study by Clifford, Miller, Stass, Goldman, Sam and Kumar (2013) examined the effectiveness of different approaches by higher education to provide increasing access, quality and completion for students in developing countries. They argue that many countries operate a traditional model of publicly supported universities charging no fees and making it easy for the universities not to face financial problems relating to student debt. Furthermore, they suggest that universities implement cost-sharing strategies in cases where they charge tuition fees.

Student leadership at the University of Arizona fought to push for stabilization regarding the drastic increase of tuition fees as a result of a decision taken by the state to curtail its funding for higher education (UA stable tuition plan doesn't solve rising tuition problem, 2014). It is, furthermore, reported that the victory regarding alleviating the raise of fees did not solve any problem. Runaway college costs and college tuition fees continued to increase by more than 200 % which resulted in that system finally breaking. In support of the above, Tshabangu, Matakala and Zulu (2013) argue that the idea of free, higher education is unmaintainable and not easy to develop. Since Namibia's situation is not different from that of the rest of the world, the authors support Clifford, et al. (2013) that costs should be shared between students and the government.

Moreover, a study conducted by Fahim and Sami (2011) that assessed public expenditure on higher education in Egypt found that the system for financing higher education in that country was inadequate, inefficient and inequitable. Therefore, they recommended raising tuition fees to approximate the cost of instruction and targeting government subsidies to the neediest students to pay their tuition fees.

Rhode and Menon (2005) in a study at University of the North on the financial management of the institution pointed out that a decreased subsidy from the state, an increase in student debt, a steep reduction in the tuition fees and residence fee billing were some of the challenges faced by the University. It was found that these challenges were addressed by instigating a cash recovery approach in setting the tuition and residence fees, as well as freezing enrolment fees. This strategy attracted more students, and the university collected more fees in total. Furthermore, an analysis of recoverable debt and the utilisation of collection mechanisms, credit management policies, as well as forging relationships with parents and students, resulted in a comparatively lower figure of outstanding student debtors.

Drosd and Serrano-Padial (2014) suggest that the best debt collecting strategy is to adopt a technological debt collection system, as it has proved to increase the effectiveness of debt collection. They further report that there was a 120% increase in cash collected by some companies after they had started employing the debt collection system.

A study by Michalski (2012) on the efficiency of accounts receivable found that, in order to maximise performance on the collection of outstanding receivables, as well as having proper strategies, the institution should choose safer and more flexible account receivable policies which will lower the level of operational risks of bad debt by risky customers. Finally, hiring

default specialists can be regarded as one of the best strategies, as they will help to reduce default rates (Misino, 2004).

2.6 Conclusion

This chapter provided a descriptive summary of the theoretical framework, the UNAM model of collection and payment of student fees, the influence of institutional and student characteristics on the reasons for defaulting on payment, as well as strategies to improve the collection of student's accounts receivable.

Two theories, namely the Structural-Functional theory and Student-Institutional Fit Model were selected as theoretical perspectives for this study. Based on the literature reviewed it was found that reasons for defaulting on payment were numerous, and were mainly related to institutional characteristics, administrative practices and student background characteristics. Therefore, the Structural-Functional Theory and Student-Institutional Fit Model illuminated the role of institutional and individual characteristics that can be incorporated to explain the reasons for default on payment.

Another goal of this literature review was to highlight strategies to improve the collection of student accounts receivable at UNAM. Default prevention through implementing best strategies to collect students' fees was mentioned and best practices were pointed out. Some key strategies considered relevant to this study, such as the freezing of registration for those who owe, invoicing, sending reminders and statements early to the students and adopting a technological debt collection system, were highlighted.

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter describes the research methods, tools and procedures that were employed in carrying out this study. It describes the research design, proposed conceptual model population, sampling, instrumentation and data collection procedures, as well as the methods of data analysis.

3.2 Research design

A research design is a set of guidelines and instructions to be followed when addressing the research problem (Saunders, Lewis & Thornhill, 2007). The main function of a research design is to enable the researcher to anticipate what the appropriate research decision should be in order to maximise the validity of the eventual results.

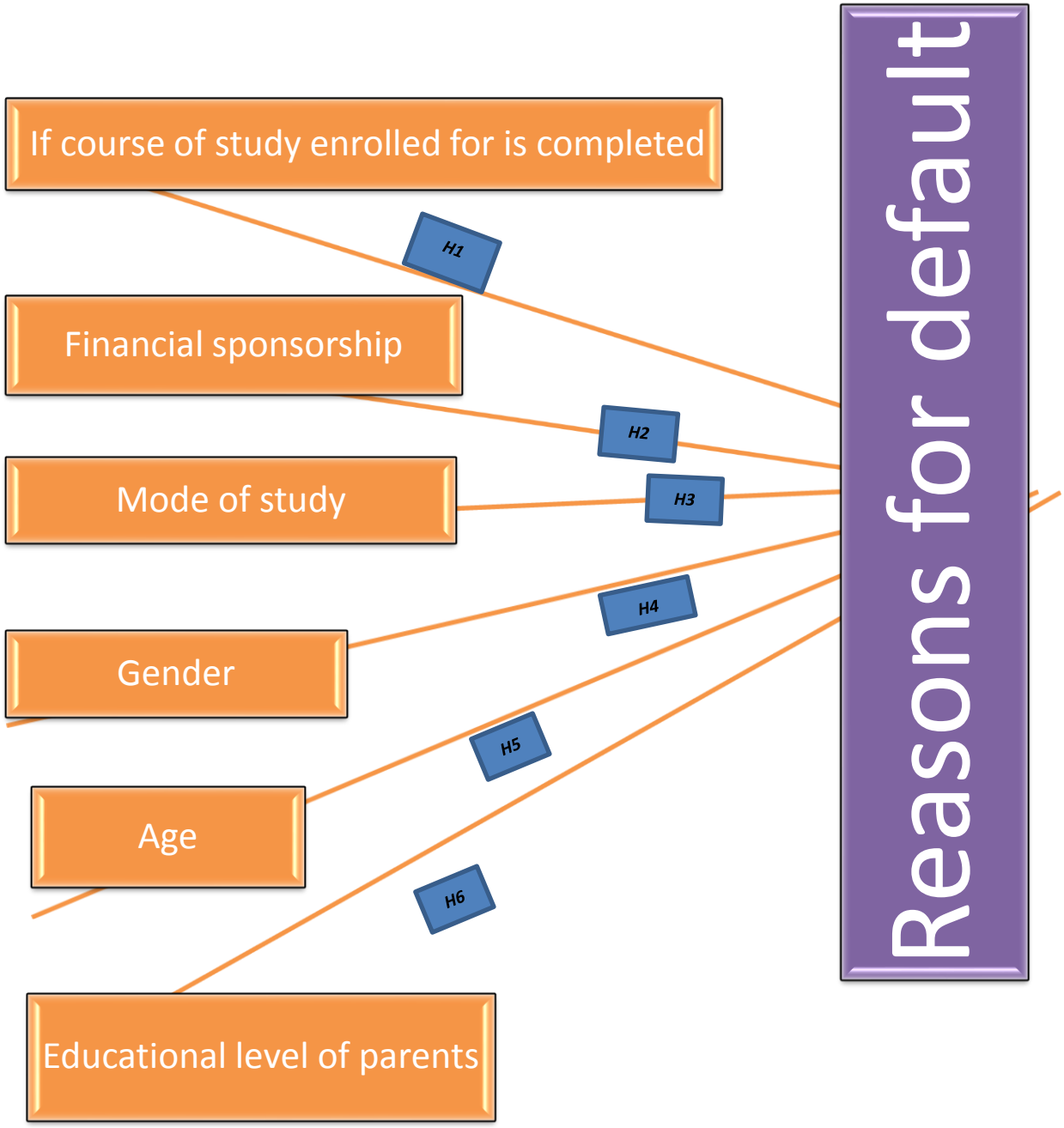
This study was conducted by taking a quantitative research approach. Zikmund, Babin, Carr and Griffin (2010) define quantitative research as research that addresses the research objectives through empirical assessment that involves numerical measurement and analysis approaches. For the purpose of this study it was decided on a quantitative, non-experimental design. In a non-experimental design there is no manipulation of conditions. Rather, the researcher makes observations or obtains measures from participants to describe something that has already occurred. Since this is the base of the structure in which non-experimental researcher operates, this option was chosen as a viable research design for the current study. There are four types of non-experimental designs, namely descriptive, correlation, causal-

comparative and quasi-experimental research. This research design involves surveys which are often used to collect large amounts of data directly from the primary source.

3.3 Proposed conceptual model

Grounded on the proposed theories and empirical studies in the literature, the researcher opted to select the most widely used variables in the literature. Secondly, it was considered important that the selected variables were in line with the study's research objectives. Six variables were selected, namely whether the course enrolled for (subject major) was completed or not, financial sponsorship, mode of study, gender, age and the educational level of the parents. The conceptual model in Figure 2 below has been proposed to present the relationship between reasons for default and the selected student variables. (Albrecht & Ziderman, 1991; Brits 2013, ; Calitz & Fourie, 2016; Chapman 2006a; Christman, 2000; Dong & Herr & Burt, 2005; Flint 1994; Flint, 1997; Garcia 2016; Gross, Cekic & Hillman, 2009; Harrast, (2004); Jariah, Husniyah, Laily & Britt, 2004; Lochner & Monge-Naranjo, 2008; Meyer (1998); Migali 2006; Podgursky, Ehlert, Monroe, Watson & Wittsruck, 2002; Rhode & Menon, 2005; Steiner & Teszler, 2003; Steiner & Tym 2005; Volkwein 1995; Volkwein & Szelest, 1995; Wan, 2012). Most of these studies show a link between reasons for default, institutional and student characteristics and defaulting. The conceptual model in Figure 2 below has been proposed to present the relationship between reasons for default and the selected student variables.

Figure 2 - Proposed conceptual model of student default



The Chi-squareχ^2statistical test was used to determine whether there was a significant difference between six variables and defaulting on payment. This statistical process, using

crosstabs, provided the detail to address the second objective that was guiding this study. In addition, this quantitative methodology was supplemented with qualitative information gleaned from two open-ended questions.

3.4 Population

The population of this study was students from the UNAM, as well as all staff members working in the Student Debtors Section of the UNAM Finance Department. These were 1 449 students last registered at the UNAM in 2012 and handed over to the debt collector (VeriCred collections) in 2013. These specific staff members were selected because they were directly involved in handling student finance matters and they were most likely to share their experiences about the reasons why students might default on payment, and they sometimes had to make decisions regarding default management.

3.5 Sample

A sample of 159 students was considered in the study after the researcher had studied a list of defaulting students that were handed over to a debt collecting company. The Student Debtor's Office at UNAM was approached to provide a list of students who last registered at the institution in 2012. This list would only contain students who defaulted on payment with 1 449 of them and were handed over in 2013 to the debt collector. The request was submitted together with the ethical clearance certificate on the basis of data privacy and complications in the office system with regards to obtaining approval.

It was observed that the list of students was already prepared and was provided without any delay, as this list is compiled annually after ever academic registration. The Student Debtors division in the Finance Department first verifies the list for any errors before handing it over to the debt collecting company. However, the nature of the study did not permit the researcher

to reach all the students. Some students resided in remote areas while others had left the country to study abroad. Others feared that it was the debt collectors but after explaining that the study was purely for academic purposes and their identities would remain confidential, they agreed to participate in the study. Students were contacted for an appointment in order for the researcher to administer the survey.

Although the main plan was to select a sample from three higher educational institutions in Namibia, namely NUST, IUM and UNAM, financial and time constraints compelled the researcher to consider only UNAM as it was the oldest university in the country and, on the other side, it had staff members in the debtors section who had ample experience in the administration of student accounts. This reason could be regarded vital for the gathering of quality data on defaulted accounts. With arranged appointments to meet the students, the researcher travelled to the regions to administer questionnaires personally. To those students who were outside the country or at places that the researcher could not reach, questionnaires were emailed to be sent back to the researcher via email after completion. Only eleven percent of the students on the list, which amounted to 159 students, could be included in the study. However, only 146 students returned the questionnaires. Seaberg (1988) points out that a sample of at least a 10% is acceptable to control sampling errors. By using this argument as a guide, a figure of 159 respondents sample was therefore implemented as the ultimate sample size. A random sampling method is employed in this study to select the student respondents. Randomly selected samples have the advantage that the data they yield can be generalised to a larger population (Gall, Borg & Gall, 1996).

Purposive sampling refers to a nonprobability sampling method in which elements are selected from the target population with specific inclusion and exclusion criteria on the basis of their fit with the purpose of the study (Daniel, 2011).

Purposive sampling was used to select the staff members in the Student Debtors division. These staff members were selected due to some defining qualities that made them holders of the data needed for the research. These sampling decisions were made specifically in order to obtain the richest possible information to answer the research questions.

3.6 Research instruments

Data were collected by means of structured questionnaires. The questionnaires consisted of a combined set of scaled and open-ended questions. A number of measures were taken to improve the reliability and validity of the instrument. The drafting of the questionnaire was informed by literature regarding student loan defaulting, particularly the Student-Institution Fit Model that looks at the students' and institution's characteristics (Flint, 1997; Jariah, Husniyah, Laily & Britt, 2004; Pascarella & Terensini, 1991). The questionnaires were adapted and improved through an interactive process with the supervisor, statistician and fellow Master's students in the Faculty of Economics and Management Sciences at the UNAM. This helped to assure that the questions would be valid, understandable and clear.

The questionnaire consisted of a combined set of scaled, checklist, open-ended and "yes" or "no" questions (see Appendix 1). The initial questionnaire was drafted on a five-level Likert scale; however, as per feedback from the statistician, it was advised that the researcher should change from the five-level Likert scale to only three level scaling. To support the above, Joshi, Kale, Chandel and Pal (2015) state that the designing of questionnaires is constructed on the goals and objectives, as well as the frameworks, of a study and, in a case where one needs to

combine the items in order to generate a composite score, one can do it. The questionnaire derived its content from the research problem and the research objectives that were described in Chapter 1. The specific instruments utilised for data collection are briefly described below:

Student questionnaire: This questionnaire was employed to solicit information from defaulting students who last registered in 2012 and were handed over to the debt collectors in 2013. The questionnaire consisted of several sections. The first section sought information regarding the demographic variables of the student, such as region of origin, place of origin (i.e. urban and/or village), sex, age, marital status, educational level of parents or guardians, number of dependents, faculty enrolled in, last course enrolled for, year level enrolled for in 2012, mode of study in 2012, financial sponsor and whether or not they had completed the course. The six key variables were selected from a list of demographic variables.

The second section of the questionnaire probed the reasons why students defaulted on payment. This section consisted of sixteen items used to measure the influence of the six key variables. The last section asked questions regarding strategies to improve the collection of student fees.

Staff questionnaire: The first section in the staff questionnaire probed for biographical information, such as age, gender, position held and years of work experience, of the UNAM staff members in the Student Debtors Section. This was followed by a section that asked questions about the reasons why students defaulted on payment. The last section asked questions about strategies to improve the collection of student fees.

3.7 Procedure

After improving and adapting the two sets of questionnaires with the help of my supervisor and fellow Master's students in the Faculty of Economics and Management Sciences at the UNAM, they were administered to all 146 students, as well as all the staff members in the Student Debtors Section.

The researcher wrote a letter to the Office of the Pro-Vice Chancellor (Academic Affairs and Research), in accordance with the UNAM Research Policy, to request permission to conduct research at UNAM. Student contact details were obtained from the Head of the Student Debtors Section.

It was difficult to administer the questionnaires directly to all students due to the fact that they were scattered all over the country. Various alternative methods were utilised to administer the questionnaires. Some were administered directly to the students who were available, others were sent by post or faxed, while others were emailed to the students. These different methods made it difficult to separate the effects of each regarding the quality of data obtained. This could be seen as a possible limitation of the study.

After the purpose of the study was explained to all staff members in the Student Debtors Section, they were asked to respond individually and in writing to the questionnaire. The researcher also explained that they would remain anonymous and, therefore, their truthful answers could not be used against them. The researcher waited for the questionnaires to be completed before collecting them.

3.8 Data analysis

While the bulk of student and staff responses were analysed with computer assistance, the open-ended questions were manually transcribed as objectively as possible.

3.8.1 Descriptive analysis

Descriptive analysis, such as frequency tables and percentages, were utilised to compare the proportion of participants who responded in different directions to the results presented. Most of the research findings focus upon the descriptive and exploratory aspects of the objectives stated in Chapter 1, and have yielded a wealth of information.

The demographic variables analysed were students' region of origin, their differences by location (village or urban), gender, age, marital status, number of dependents, educational level of their parents, the last course enrolled for, the faculty, year level, mode of study, person responsible for the payment of the tuition fees, the type of bursary and whether the course was completed or not. These results are presented in Section 4.2.

3.8.2 Hypothesis testing

The predictions about the expected outcomes of the relationships among the variables were used for this study by testing hypotheses informed by the second research objective (Creswell, 2014). Due to the nature of the questions on the questionnaire, the appropriate statistical test used in this study was the Chi-square. A Chi-square is a measure of how closely the observed distribution approximates the expected distribution (Gall, Borg & Gall, 1996).

Based on the conceptual model and literature reviewed, the researcher constructed six hypotheses that were derived from the research objectives. Each of the hypotheses would provide empirical evidence on the degree of influence on students who default on payment

brought about by demographic variables, such as the course enrolled for (subject major), financial sponsorship, mode of study, gender and age.

Therefore, the following hypotheses were developed and tested:

H1 Students' course of study (subject major) has a direct impact on their accounts receivable default rate.

H2 Students' financial sponsorship has a direct effect on their accounts receivable default rate.

H3 Students' mode of study has a direct effect on their accounts receivable default rate.

H4 Students' gender has a direct effect on their accounts receivable default rate.

H5 Students' age has a direct effect on their accounts receivable default rate.

H6 The educational level of parents has a direct effect on the students' accounts receivable default rate.

These hypotheses were tested by means of a Chi-square using the Statistical Package for Social Sciences (SPSS) programme. These hypotheses aimed at determining whether there was a significant difference between students defaulting on payment and a) whether the courses enrolled for (subject major) by students were completed or not, b) the kind of financial sponsorship, c) the mode of study (part-time, fulltime and distance), d) gender and e) age of students, as well as f) the educational levels of parents.

3.9 Research ethics

A number of ethical considerations were taken into account throughout this study. A letter of consent was obtained from the Pro-Vice Chancellor, Academic Affairs of UNAM, through the

Research and Publications Office, to conduct research at UNAM, requesting the participation of both staff members and students.

Defaulting students were to be contacted by telephone to make appointments by mail, and electronic mail and in person. At the beginning of the conversation with each participant, the researcher briefly explained the nature of the research and stated the fact that participants were free to comply and could withdraw at any time.

Upon submitting the questionnaires to the UNAM Finance Department: Student Debtors' Staff, the researcher also presented these participants with a letter of introduction. Participants were once again reminded that they could withdraw at any time during the process if they wished to do so. The researcher was honest, respectful and sympathetic towards all participants, while the wellbeing of students and staff members was protected throughout the study.

The research is purely for academic purposes and research data will remain confidential throughout the study. Furthermore, the comments of the defaulting students are presented anonymously.

3.10 Conclusion

In this chapter the research design, population, sample, research instruments, procedure and data analysis were presented in two segments, namely descriptive analysis and hypothesis testing. Furthermore, the proposed conceptual model was developed to demonstrate the most important relationships that existed between defaulting on payment and key objectives of the study. Hypotheses were formulated based on the proposed conceptual model. In addition, ethical considerations regarding the research process were highlighted.

The research findings and hypothesis testing will be discussed in the next chapter.

CHAPTER 4

PRESENTATION OF RESULTS

4.1 Introduction

In order to present the results of this empirical investigation in a logical way, it was necessary, firstly, to refer to the demographic details of the students and staff members who responded to the questionnaires; secondly, to report on the hypothesis test by examining the relationships between the dependent variable, namely the reasons for defaulting on payment (hypotheses testing) and the independent variables (whether the course enrolled for was completed or not, financial sponsorship, mode of study, gender, age and the educational level of parents); thirdly, to share the findings regarding effective strategies to improve the collection of student fees and, finally, to report on the open-ended questions in the questionnaire. Tables have been used in most cases for clarity, ease of understanding and interpretation.

4.2 Results related to the demographic characteristics of the students and staff members

Table 1 and 2 provide the frequency and percentage frequency of the student and staff members who had completed the questionnaires. Variables will be presented in the order of appearance in the questionnaires (see Appendices 1 and 2).

Table 1: Sample descriptive analysis - Student respondent

Characteristics	Categories	Frequency(f)	Percentage %	Cumulative %
Students region of origin	Oshana	19	13	13
	Omusati	18	12.3	25.3
	Kunene	2	0.7	26.7
	Omaheke	2	0.7	28.1
	Khomas	27	18.5	46.6
	Erongo	8	5.5	52.1
	Otjozondjupa	6	4.1	56.2
	Zambezi	7	4.8	61
	Okavango west	7	4.8	65.8
	Oshikoto	7	4.8	70.5
	Ohangwena	7	4.8	75.3
	!Karas	4	2.7	78.1
	Hardap	1	0.7	78.8
	Okavango east	13	8.9	87.7
	Germany	1	0.7	88.4
	Zambia	3	3.4	90.4
	Zimbabwe	5	3.4	93.8
	Angola	2	1.4	95.2
	Other - European countries	1	0.7	95.9
	Democratic Republic of Congo(DRC)	2	1.4	97.3
	Botswana	2	1.4	
	Finland	2	1.4	98.6
		2	1.4	100
Student differences by location	Village	62	42.5	42.5
	Urban	84	57.5	100
Gender	Female	73	50	50
	Male	73	50	100
Age	21-30	67	45.9	45.9
	31-40	45	30.8	76.7
	41-50	29	17.1	93.8
	51>	9	6.2	100
Marital status	Married	43	29.5	29.5
	Single	100	68.5	98
	Divorced	1	0.7	98.7
	Widowed	2	1.4	100
Number of student's dependents	No dependents	22	15.1	15.1
	One dependent	16	11	26.1
	2-5 dependents	82	56.1	82.2
	6-9 dependents	12	8.2	90.4
	< 9 dependents	14	9.6	100
Education level of parents and/or guardians	No education	80	55.2	55.2
	Grade 8	2	1.4	56.6
	Grade 10	8	5.5	62.1

	Grade 12	21	14.5	76.6
	Tertiary education	34	23.4	100
				36.6
Last course enrolled for	Bachelor	53	36.6	66.9
	degree	44	30.3	84.1
	Diploma	25	17.2	92.4
	Certificate	12	8.3	
	Post graduate			95.8
	diploma	5	3.4	98.6
	Master's	4	2.8	
	degree			100
	Non-degree purposes	2	1.4	
	PhD			
Faculty/Schools enrolled in	Education	49	33.8	33.8
	Economics & Management Sciences	47	32.4	66.2
	Humanities & Social Sciences	24	16.6	82.8
	Science	10	6.9	89.7
	School of Nursing & Public Health	5	3.4	93.1
	School of Postgraduate studies	4	2.8	95.9
	Engineering & IT	3	2.1	98
	School of Medicine	2	1.4	99.4
	Agriculture & Natural Resources	1	0.7	100
				74.7
				89.1
Year level of student in 2012	Year 1	109	74.7	96
	Year 2	21	14.4	100
	Year 3	10	6.9	
	Year 4	6	4.1	61
				88.4
Mode of study	Distance	89	61	100
	Full-time	40	27.4	
	Part-time	17	11.6	
				69.7
				89
Person/s responsible for payment of tuition fees	Self	101	69.7	93.1
	Family	28	19.3	97.2
	Employer	6	4.1	100
	Bursary	6	4.1	
	NSFAF loan/grant	4	2.8	
				35.7
				64.3
Type of bursary		5	35.7	78.6
	UNAM	4	28.6	85.7
	NANASO	2	14.3	
	Ministry of Health	1	7.1	92.8
	Ministry of Agriculture	1	7.1	
				100
	Master of the			

	High Court	1	7.1	91.7
	Blessed Hope			100
Completion of course enrolled for	Fellowship	133	91.7	
		12	8.3	
	No			
	Yes			
Total N is less than 146 because of missing values				

The region mentioned in Table 1 above refers to the political regions from where the student-respondents originated. Namibia has 14 regions which are further sub-divided into 121 constituencies. The findings revealed that 18.5% of students who defaulted on payment were from the Khomas region, followed by Omusati, the Okavango East region and others. More respondents (57.5%) were from urban than rural areas (42.5 %). An equal number of responses were obtained (females 50% and males 50%). The majority of students were between 21 and 30 years (45.9%), followed by 31 and 40 years of age (30.8%) and then by 41 and 50 years (17.1%).

When the marital status of the students was analysed, it emerged that the majority of the students (68.5%) were single. Thirty-seven percent of the student respondents had no dependents and 34.2% had two to five dependents. The majority of the respondents' parents/guardians (55.2 %) had had no formal education, 23.5% of them had attended tertiary education and 1.4 % had only Grade 8 qualifications.

The respondents were also asked to respond to some institutional characteristics. Of the 146 responses received, 36.6% had registered for a Bachelor's degree and 30.3 % for a diploma. The bulk of the respondents were from the Faculty of Education (33.8 %) and 32.4 % were

from the Faculty of Economics and Management Sciences. More than 70% of first-year students who had enrolled in 2012 defaulted on payment, whereas only 4.1 % of the students who defaulted on payment were in year four. Over 60% of the students studied through the distance mode and 28% were either part-time or fulltime students. More than 69% of respondents were paying for themselves, while 19.3% of students' fees were supposed to be paid for by a family member. A total of 91.7% did not complete their qualifications and 8.3% of respondents had completed their studies.

Table 2: Descriptive analysis of sample - Staff respondents

Characteristics	Category	Frequency(f)
Number of staff members		5
Age	< 20	0
	20-30	3
	30-40	1
	40-50	0
	50 >	1
Gender	Female	2
	Male	3
Years of work experience	0-4	3
	5-9	1
	More than 9 years	1

Three staff members who responded was in the age category of < 20 to 30 years followed one staff member older than 50 and none in the category of > 40 to 50 years. There were more male respondents (3) and female were (2). Three of the staff members had 0 to 4 years of work experience, followed by 1 who had 5 to 9 years of experience as well as 1 with more than 9 years' work experience.

Although the position held by the staff member was one of the question asked in the questionnaire (see Appendix 2, Section 1, question 3.) these results are not presented in this study due to the anonymity of the staff members that could be compromised by identifying their job descriptions.

4.3 Results related to why students default

4.3.1 Reasons for defaulting by students

Table 2 below shows results concerning agreement or disagreement on the 15 statements about why students default. The replies to the questions were obtained from an analysis of the students' responses regarding 15 reasons in section B of the questionnaire (see Appendix A). Students' were requested to respond in four categories: Agree Neutral or Disagree. Numerous characteristics of the 15 reasons covered were relevant to reasons students default. A Table presents the frequency distribution by the respondents on the default reasons.

Table 3: Descriptive analysis of sample - Students respondents - Section II

Reasons for default	Disagree		Neutral		Agree		N
	n	%	n	%	n	%	
1. Not informed about outstanding fees	97	66.4	22	15.1	27	18.5	146
2. Financial assistance not enough to cover tuition, books, and accommodation	22	15.1	23	15.8	99	67.8	144
3. Increase in student fees results in students defaulting	18	12.3	30	20.5	98	67.1	146
4. Student support services are not effective	86	58.9	28	19.2	32	21.9	146
5. Tertiary education is too expensive	21	14.4	33	22.6	92	63	146
6. Too much debt	66	45.5	25	17.1	53	36	144
7. Spend money on luxuries	104	71.2	24	16.4	15	10.3	143
8. Lack of knowledge about possible funding institutions	62	42.5	34	23.3	50	34.2	146
9. Dissatisfaction with academic program enrolled	95	65.1	19	13	26	17.8	140
10. Limited knowledge on payments agreements	48	32.9	46	31.5	44	30.1	138

11. Inability to communicate outstanding fees to parents/sponsors	103	70.5	13	8.9	26	17.8	142
12. Inability to manage financial resources	86	58.9	37	25.3	19	13	142
13. Personal income inadequate	21	14.4	7	4.8	117	80.1	145
14. Interference from personal problems	46	31.5	12	8.2	87	59.6	145
15. Poor academic performance	97	66.5	10	6.8	37	25.3	144

Note: Total N is less than 146 because of missing values

The responses from the respondents are as follows: Results indicate that 66.4% of the students disagreed that they were not informed about their outstanding fees; whereas 15.1 % responded neutral and 18.5 % agreed to the statement. The response to the reason that financial assistance is not enough yielded results indicating that 61.6 % of the students agreed 20.9 % responded neutral, while 17.4 % disagreed. 67.1 % of the respondents agreed that an increase in student fees results in students defaulting and 12.3 % disagreed with the statement. The results on non- effective student support results indicated that 58.9% of the respondents disagreed, 21.9 % agreed to the statement and 19.2 % responded neutral.

Furthermore, 63% students agreed that tertiary education is too expensive, 22.6 % responded neutral and 14.4 % disagreed with the statement. The results of this statement "too much debt" revealed that 45.2% students disagreed, 36.3 % agreed and 17.1 % responded neutral. 71.2 % of the respondents disagree that they spent more money on luxuries, 10.3 % agree as well as 16.4 % responded neutral to the statement. Of the 42.5% were in agreement that they had lack of knowledge on possible funding, 23.3 % responded neutral, whereas 42.5 % disagree with the statement.

The results of the statement dissatisfied with academic program enrolled for, shows that 65.1 % disagreed and 17.8 % agreed. Of the respondents, 30.1 % agreed that they had limited knowledge on payment arrangements, 32.9 % responded disagree with the statement and 31.5 % responded neutral. The results on the statement of the university unable to communicate outstanding fees to parents/ sponsors revealed that 70.5 % disagreed, 17.8 % agreed and 8.9 % responded neutral. 58.9 % disagreed that they were unable to manage financial resources, 25.3 % responded neutral and 13 % agree with the statement. Over 80.1 % agreed that personal income is inadequate, 14.4 % disagreed with the statement and 4.8 % responded neutral. The results on the statement "interference from personal problems" yielded results that show 59.6 % agreed with the statement and 31.5 % disagreed with the statement.

Finally, it can be observed that 66.4 % of the students disagreed that poor academic performers are dissatisfied with university experience and decided to drop out without paying the account, 25.3 % agreed with the statement and 6.8 % responded neutral.

4.3.2 Reasons for defaulting by staff

Table 4 below shows the results concerning agreement or disagreement on the 7 statements about why students default. The replies to the questions were obtained from the UNAM staff analysis regarding reasons in section II of the questionnaire (see Appendix 2). UNAM staffs were requested to respond in three categories: Agree, Neutral or Disagree. Numerous characteristics of the 7 reasons covered were relevant to the reasons why students default. Table 4 below presents the frequency distribution by the respondents on the default reasons.

Table 4: Sample Descriptive Analysis - Staff Respondents Section II

Reasons for default	Disagree	Neutral	Agree	N
	n	n	n	
1. Students are not informed about outstanding fees	2	0	3	5
2. Financial assistance not enough to cover tuition, books, and accommodation	2	1	2	5
3. Increase in student fees results in students defaulting	2	3	0	5
4. UNAM has not contacted the students	3	1	1	5
5. Students from poor backgrounds default than students from wealthier background	1	2	2	5
6. Management decisions contributes to an increase in higher outstanding fees	0	2	3	5
7. The university bursar is not active in assisting students with financial concerns by introducing payment plan	2	1	2	5

Three of the staff agreed that students are not informed about the outstanding fees while 2 disagreed with the statement. Of the five responses received, 2 agreed that financial assistance is inadequate, 1 responded neutral to the statement and 2 disagreed. With regard to whether the increase of student fees doesn't result into defaulting, 3 responded neutral to the statement and 2 disagreed. The respondents were asked if UNAM has not contacted the students with regards to their outstanding fees and 3 staff has disagreed, 1 responded neutral to the statement and 1 agreed.

With regards to the statement that asked whether students from the poor background defaulting more, 2 of the respondents agreed, 2 indicated neutral with the statement and 1 disagreed. Three staff members agreed to the statement that the university management decisions contribute to an increase in outstanding fees and 2 indicated neutral. Lastly, 2 respondents disagreed with the statement that the Bursar is not active in assisting students with financial concerns by introducing payment plan, 2 agreed with the statement and 1 responded neutral to the statement.

4.4. Hypotheses testing of the proposed conceptual model of student defaults

The aim of this study was to investigate defaulted student accounts. The study explored the background characteristics, such as the courses studied, financial sponsorship, the mode of study, gender and age of the student defaulters. Furthermore, the six (6) variables were cross-tabbed with 15 reasons for defaulting on payment by students. This section only presents the results that were statistically significant. For the achievement of pertinent answers to the objectives, the study was guided by the following hypotheses.

H1 Completion of a course of study has a direct impact on students' accounts receivable default rate.

H2 Students' financial sponsorship has a direct effect on their students' accounts receivable default rate.

H3 Students' mode of study has a direct effect on their students' accounts receivable default rate.

H4 Students' gender has a direct effect on their students' accounts receivable default rate.

H5 Students' age has a direct effect on their students accounts receivable default rate.

***H*$_6$** The educational level of parents has a direct effect on the students' accounts receivable default rate.

In this study a Chi-square test of significance was utilised to test the relationships between the background variables (gender, age, region of origin, location – urban, village or small town – and mode of study) and reasons for defaulting on payment.

The p-values associated with Chi-square values are not necessarily accurate, because the expected frequencies in many cells were small. However, since contributions to the total Chi-square from these cells were very small, and the total Chi-square mostly exceeded the critical values by far, the findings are taken to be valid.

Figure 3 -The proposed conceptual model of student default

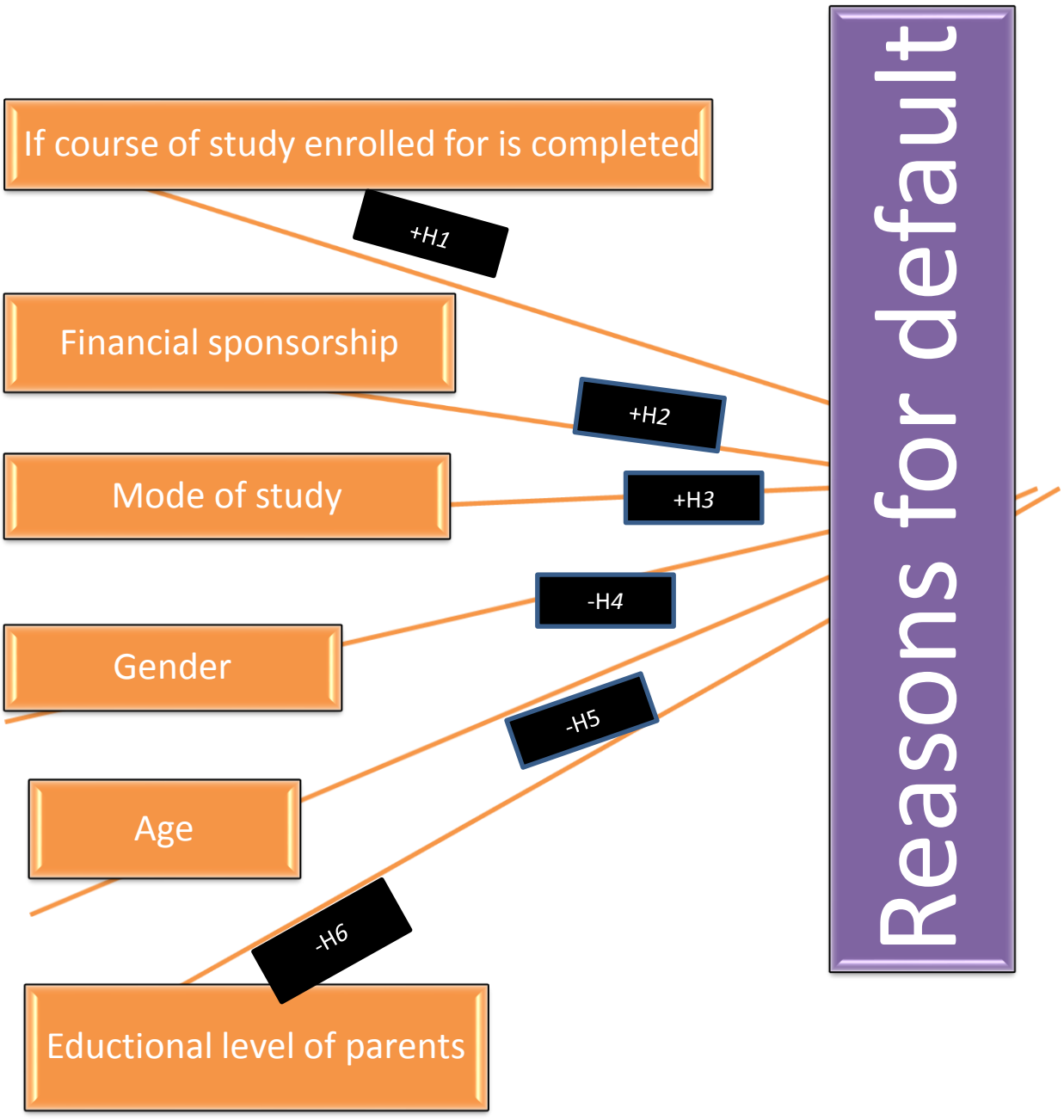


Table 5: Hypothesis 1 test results. If course of study was completed, possible reasons for defaulting on payment

Statements	T-value	χ^2	df	Hypothesis test results
1. Not informed about outstanding fees	.768	.527[a]	2	Not significant
2. Financial assistance not enough to cover tuition, books and accommodation	.182	3.402[a]	2	Not significant
3. Increase in student fees resulted in student defaulting	.310	2.345[a]	2	Not significant
4. Student support services were not effective	.434	1.671[a]	2	Not significant
5. Tertiary education was too expensive	.582	1.081[a]	2	Not Significant
6. Too much debt	.200	3.218[a]	2	Not significant
7. Spent money on luxuries	.385	1.907[a]	2	Not significant
8. Lack of knowledge about possible funding institutions	.146	3.853[a]	2	Not significant
9. Dissatisfaction with academic programme enrolled for	.555	1.176[a]	2	Not significant
10. Limited knowledge of payment agreements	.448	1.605[a]	2	Not significant
11. Inability to communicate outstanding fees to parents/sponsors	.218	3.045[a]	2	Not significant
12. Inability to manage financial resources	.218	3.045[a]	2	Not significant
13. Personal income inadequate	.009**	9.362[a]	2	Significant
14. Interference by personal problems	.014**	8.572[a]	2	Significant
15. Poor academic performance	.475	1.489[a]	2	Not significant

*Note. ** denotes significance at $p \leq .05$ level*

Hypothesis-1: Table 15 indicates that the completion of the course of study had a direct impact on the student's reasons for defaulting on payment. The results were found to be

significant only for the following: Personal income inadequate (Chi-square =9.362; df=2; $p \leq 0.05$) and interference by personal problems (Chi-square = 8.572; df=2; $p \leq 0.05$). Therefore, the hypothesis based on the two reasons can be accepted.

Table 6: Hypothesis 2 test results: Financial sponsorship as reason for defaulting on payment

Statements	T-value	χ^2	df	Hypothesis test results
1. Not informed about outstanding fees	.683	5.68	8	Not significant
2. Financial assistance not enough to cover tuition, books and accommodation	.084	13.918[a]	8	Not significant
3. Increase in student fees resulted in students defaulting	.030**	16.991[a]	8	Significant
4. Student support services were not effective	.209	10.878[a]	8	Not significant
5. Tertiary education was too expensive	.000**	29.708[a]	8	Significant
6. Too much debt	.009	20.370[a]	8	Not significant
7. Spent money on luxuries	.158	11.850[a]	8	Not significant
8. Lack of knowledge about possible funding institutions	.434	7.990[a]	8	Not significant
9. Dissatisfaction with academic programme enrolled for	.261	10.053[a]	8	Not significant
10. Limited knowledge of payment agreements	.066	14.669[a]	8	Not significant
11. Inability to communicate outstanding fees to parents/sponsors	.253	10.167[a]	8	Not significant
12. Inability to manage financial resources	.363	8.764[a]	8	Not significant
13. Personal income inadequate	.005**	22.190[a]	8	Significant
14. Interference by personal problems	.002**	24.792[a]	8	Significant
15. Poor academic performance	.316	9.316[a]	8	Not significant

*Note. ** denotes significance at $p \leq .05$ level*

Hypothesis 2: A cross tabulation between financial sponsorship and defaulting on payment revealed that students' financial sponsorship was positively related to defaulting on the following: personal income inadequate (Chi-square = 22.190; df=8; $p \leq .05$) and interference by personal problems (Chi-square = 22.190; df=8; $p \leq .05$). This test was done considering financial sponsorship from NSFAF, bursaries, employer, family as well as self-funding. Although students might have had financial sponsorship, this failed to cover all costs, therefore students had to use part of their personal income to subsidise their fees. Financial sponsorship was regarded as an organization, company or person responsible for paying the students' university costs. ***H2*** Students' financial sponsorship was positively related to defaulting on payment and, therefore, the hypothesis based on these two reasons can be accepted.

Table 7: Hypothesis 3 test results: Mode of study as reason for defaulting on payment

Statements	T-value	χ^2	df	Hypothesis test results
1. Not informed about outstanding fees	.906	1.027[a]	4	Not significant
2. Financial assistance not enough to cover tuition, books and accommodation	.032**	10.543[a]	4	Significant
3. Increase in student fees resulted in students defaulting	.008**	13.782[a]	4	Significant
4. Student support services were not effective	.000	34.255[a]	4	Not significant
5. Tertiary education was too expensive	.000	34.255[a]	4	Not significant
6. Too much debt	.000**	20.927[a]	4	Significant
7. Spent money on luxuries	.016	12.256[a]	4	Not significant
8. Lack of knowledge about possible funding institutions	.080	8.338[a]	4	Not significant
9. Dissatisfaction of academic programme enrolled for	.459	3.623[a]	4	Not significant

10. Limited knowledge of payment agreement	.050**	9.491[a]	4	significant
11. Inability to communicate outstanding fees to parents/sponsors	.130	7.109[a]	4	Not significant
12. Inability to manage financial resources	.122	7.266[a]	4	Not significant
13. Personal income inadequate	.028	10.886[a]	4	Not Significant
14. Interference by personal problems	.238	5.521[a]	4	Not significant
15. Poor academic performance	.061	9.015[a]	4	Not significant

*Note. ** denotes significance at $p \leq .05$ level*

Hypothesis -3 states that students' mode of study has a direct effect on their reasons for defaulting on payment. The results of the proposed model of student default on payment reveal a significant relationship between mode of study and the following reasons: financial assistance not enough to cover tuition, books and accommodation (Chi-square =10.543; df=4; $p \leq .05$), increase in student fees resulted in students defaulting on payment (Chi-square = 13.782; df=4; $p \leq .05$,) too much debt (Chi-square = 20.927; df=4; $p \leq .05$) and limited knowledge of payment agreement (Chi-square =9.491; df=4;p=. 05). The hypothesis grounded on the four reasons indicated above is accepted.

Table 8: Hypothesis 4 test results: Gender as reasons for defaulting on payment

Statements	T-value	χ^2	df	Hypothesis test results
1. Not informed about outstanding fees	.057	5.714[a]	2	Very close to significant
2. Financial assistance not enough to cover tuition, books and accommodation	.083	4.981[a]	2	Not significant
3. Increase in student fees resulted in students defaulting	.491	1.422[a]	2	Not significant
4. Student support services were not effective	.910	.189[a]	2	Not significant
5. Tertiary education was too expensive	.382	1.924[a]	2	Not significant
6. Too much debt	.170	3.549[a]	2	Not significant
7. Spent money on luxuries	.876	.265[a]	2	Not significant
8. Lack of knowledge about possible funding institutions	.695	.729[a]	2	Not significant
9. Dissatisfaction with academic programme enrolled for	.561	1.155[a]	2	Not significant
10. Limited knowledge of payment agreement	.629	.928[a]	2	Not significant
11. Inability to communicate outstanding fees to parents/sponsors	.095	4.709[a]	2	Not significant
12. Inability to manage financial resources	.564	1.147[a]	2	Not significant
13. Personal income inadequate	.066	5.448[a]	2	Not Significant
14. Interference by personal problems	.346	2.121[a]	2	Not significant
15. Poor academic performance	.720	.657[a]	2	Not significant

Hypothesis-4. The findings show that that there was no significant relationship between gender and all 15 reasons for defaulting on payment, as indicated in Table 8 above. Therefore, the hypothesis is rejected.

Table 9: Hypothesis 5 test results: Age as reason for defaulting on payment

Statements	T-value	χ^2	df	Hypothesis test results
1. Not informed about outstanding fees	.789	3.154[a]	6	Not significant
2. Financial assistance not enough to cover tuition, books and accommodation	.143	9.587[a]	6	Not significant
3. Increase in student fees resulted in students defaulting	.744	3.497[a]	6	Not significant
4. Student support services were not effective	.467	5.621[a]	6	Not significant
5. Tertiary education was too expensive	.422	6.014[a]	6	Not significant
6. Too much debt	.021	14.909[a]	6	Not significant
7. Spent money on luxuries	.253	7.802[a]	6	Not significant
8. Lack of knowledge about possible funding institutions	.728	3.617[a]	6	Not significant
9. Dissatisfaction with academic programme enrolled for	.287	7.385[a]	6	Not significant
10. Limited knowledge of payment agreement	.895	2.250[a]	6	Not significant
11. Inability to communicate outstanding fees to parents/sponsors	.968	1.365[a]	6	Not significant
12. Inability to manage financial resources	.193	8.672[a]	6	Not significant
13. Personal income inadequate	.054	12.360[a]	6	Not Significant
14. Interference by personal problems	.741	3.523[a]	6	Not significant
15. Poor academic performance	.067	11.764[a]	6	Not significant

Hypothesis 5. The hypothesised relationship between age and the 15 reasons for defaulting on payment was not significant. ***H5*** is thus rejected**.** These results are indicated in Table 9 above.

Table 10: Hypothesis 6 test results: Education level of parents as reason for defaulting on payment

Statements	T-value	χ^2	df	Hypothesis test results
1. Not informed about outstanding fees	.441	7.925[a]	8	Not significant
2. Financial assistance not enough to cover tuition, books and accommodation	.159	11.835[a]	8	Not significant
3. Increase in student fees resulted in students defaulting	.009	20.328[a]	8	Not significant
4. Student support services were not effective	.934	3.005[a]	8	Not significant
5. Tertiary education was too expensive	.022	17.947[a]	8	Not significant
6. Too much debt	.023	17.773[a]	8	Not significant
7. Spent money on luxuries	.353	8.876[a]	8	Not significant
8. Lack of knowledge about possible funding institutions	.531	7.048[a]	8	Not significant
9. Dissatisfaction with academic programme enrolled for	.330	9.143[a]	8	Not significant
10. Limited knowledge of payment agreement	.728	5.275[a]	8	Not significant
11. Inability to communicate outstanding fees to parents/sponsors	.703	5.503[a]	8	Not significant
12. Inability to manage financial resources	.081	14.035[a]	8	Not significant
13. Personal income inadequate	.188	11.250[a]	8	Not Significant
14. Interference by personal problems	.018	18.481[a]	8	Not significant
15. Poor academic performance	.578	6.619[a]	8	Not significant

Hypothesis 6. Table 10 above indicates that the results were not significant for any of the other reasons for defaulting on payment. The ***H6*** is, therefore, rejected.

4.5 Strategies to improve collections of students' fees as reported by both students and staff

Answers to this question were obtained from the analysis of the students and staff responses to the questionnaires. Students and staff were asked to respond in terms of "yes" and "no" answers in Section III of the students and staff questionnaires (Appendix 1, Section III, and question 9) and (Appendix 2, Section II, and question 13).

4.5.1 Strategies to improve the collection of students' fees as reported by both students and staff members

Table 11 below indicates the frequency distributions and results of the strategies to improve the collection of student fees. The answers to these questions were obtained from the analysis of the students' responses to 8 strategies to improve the collection on fees in Section III of the questionnaire. The results revealed that the respondents indicated yes to strategies 1,2,3,4,5,6,7 and 8. The detailed results are discussed below in Table 11.

Table 11: Results on strategies to improve collection of student fees as given by students

Strategies	Yes		No		Total
	n	%	n	%	N
1. Counseling on student fees leads to lower rates of defaults	143	97.9	1	0.7	144
2. Use different means of reminders	144	98.6	2	1.4	146
3. Send statements and invoices earlier	143	97.9	1	0.7	144
4. Maintain constant communication with students	143	97.9	1	0.7	144
5. Reduce spending on luxury items and pay fees	137	93.8	6	4.1	143
6. Good financial planning	144	98.6	0	0	144
7. Learn about financial planning	142	97.3	2	1.4	144
8. Find way to increase income	141	96.6	2	1.4	143

Note: Total N is less than 146 because of missing values as a result of students leaving the statement unanswered

Table 9 indicates, 97.9% answered affirmatively to counselling students about the outstanding fees and 98.6% indicated ‘yes’ to reminding students/sponsors and parents. More than 97% agreed with the statement “providing students/sponsors/parents with statements/invoices regularly”. Of the 144 students, 97.9% answered affirmatively to maintaining constant communication between student and UNAM, and as far as reducing spending on luxury items to pay tuition fees was concerned, 93.8% answered “yes”. More than 96% of the respondents answered the following statements affirmatively: reduce spending on luxury items and pay tuition fees, learn about financial planning, find ways to increase your income Overall these results are suggesting a positive view towards the strategies indicated above.

4.5.2 Results relating to the strategies to improve the collection of student fees as reported by staff members

Table 12 indicates the frequency in distributions and results of the strategies to improve the collection of student fees. The answers to these questions were obtained from the analysis of the staffs' responses to 12 strategies to improve the collection of fees presented in Section III of the questionnaire. The results revealed that the respondents indicated "yes" to all strategies from 1 to 12. The detailed results are discussed in Table 12.

Table 12: Responses of strategies in improving collection of student fee by UNAM staff

Strategies	Yes	No	Total
	n	n	N
1. Frequent reminders about outstanding fees	5	0	5
2. Reminding student/sponsors by means of emails, phone calls, sms's, phone calls, posters and the student portal	5	0	5
3. Send statements/invoices earlier	4	0	4
4. Students are not allowed to register with outstanding fees from prior years	4	0	4
5. Maintain constant communication between students and UNAM	4	0	4
6. Bursar should assist students by recommending ideal repayment strategies	4	0	4
7. Establish proper collection mechanisms and credit management policies	5	0	5
8. Manage students' debt by marketing and informing them about settlement discounts, family rebates	5	0	5
9. More scholarships to be awarded	5	0	5
10. Counselling efforts by finance department	5	0	5

staff			
11. Organise default awareness workshops for students	5	0	5
12. Admit students with good academic records who continue their studies	2	2	5

Note: Total N is less than 5 because of missing values

Five respondents said "yes" to the following statements: frequent reminders about outstanding fees to all the respondents, reminding students by means of emails, phone calls, short message service (SMS); posters on the student portal must be used as means of communication to remind students of their outstanding accounts; establish proper collection mechanisms and credit management policies, manage students' debt by marketing and informing students about the settlement discounts and family rebates; more scholarships should be awarded, as a strategy to improve the collection of student fees.

All of the 5 respondents answered affirmatively for counselling efforts by the finance department staff and organising default awareness workshops for students. Furthermore, the following results show that 4 of respondents indicated 'yes' to the following statements: sending statements/invoices to the students, and while sponsored early, students should not be allowed to register with outstanding fees from previous years. Of the respondents, 1 did not respond to the following statements: Maintain constant communication between students; the bursar should assist students by recommending ideal repayment strategies.

Finally, of the respondents, 2 indicated 'yes' to the statement that UNAM should admit only students with good academic records who show commitment to their studies whereas 2 did not

agree with this statement. The overall results show that majority of respondents appreciated the strategies indicated above.

4.6 Qualitative analysis of the open-ended questions

The questionnaire also included two open-ended questions in both the student and staff questionnaires. This approach was added to develop a general understanding of the views regarding the reasons for defaulting and the strategies to improve collecting student fees. The platform also created an opportunity for the respondents to bring up issues not covered by the scales in the questionnaire.

There was extensive consensus among the various respondents that the single most important item contributing to defaulting on payment was insufficient funding by educational institutions to assist students in Namibia, especially those registered for certificate and diploma qualifications and were studying through the distance mode.

The data analysis process involved the coding of the raw data and the construction of broad categories that captured the relevant characteristics of the content of the data. The open-ended responses are presented separately below by, firstly, reporting by students and staff members on the reasons for defaulting on payment and, finally, the strategies to improve the collection of students' outstanding fees.

4.6.1 Reasons for default collected through open-ended questions from students and staff

Following the itemized question as per the student questionnaire (Appendix 1, Section II, question 16 and section III, question 9 and Appendix 2, Section II, question 8 and section III, question 13), an open-ended question was presented to students and staff members.

Table 13: Students Responses from Section II, question 16

Question: List briefly some other reasons that may contribute to students defaulting on payment

30.1% of the respondents indicated that they defaulted because they were unemployed and there was no financial assistance for students studying via the distance mode.

8.9% of the respondents indicated that they terminated their studies to study at other institutions abroad (i.e. received a full scholarship from government to study abroad).

5.7% of the respondents expressed that they decided not to settle their accounts because their study materials arrived very late, continuous assessment marks (CAs) were not available in time to write examination and tests were written on Saturday evenings.

4.2% of the respondents revealed that the person who was responsible for their student fees had passed away and some family members decided to stop paying the student's accounts.

2.7% indicated that they defaulted due to health problems and they had to leave their jobs because of health reasons and had no income to settle their fees.

2.7% of the respondents reported that details with regards to cancellation of enrolment and dates were not easy to find.

1.4% indicated that they cancelled their studies very late after the 100% and 50% cancellation of enrolment period.

2.7% indicated that they were wrongly registered; they applied at UNAM but never came for registration.

2.7% indicated that the payment was done but no reference number or student number was indicated on the proof of payment, as well as that payments done from overseas could not be traced by UNAM.

2.7% of the respondents indicated that they registered with the acknowledgement letters from NSFAF, hoping that they would be awarded a loan but unfortunately they were not granted the loan.

2.7% indicated that their staff rebates were not processed on time.

2.7% indicated that the bursary sponsor did not settle the account.

2.1% indicated that they forgot about the account.

1.4% of the respondents expressed that communication with regards to outstanding student fees (i.e. statements) arrived late.

0.7% of the respondents revealed that the UNAM centres were far from their villages and when they arrived in town to pay, they found the cashiers closed.

0.7% indicated that the department did not allocate a supervisor for their thesis/dissertation and they decided not to pay the student fees since the university did not rendered proper

service to them. 0.7% of the respondents showed that they were refunded more than what was due to them. 0.7% of the respondents indicated that the duration of the course was too long and that they decided not to settle their accounts. 0.7% UNAM did not send invoices to the sponsors. 24% of the respondents did not respond to this question.

Table 14: UNAM staff answers to an open-ended question Section II, question 8

Question: Give reasons not mentioned above why you think students default on payment and also mention other factors resulting in the increase of outstanding fees
20% of the respondents indicated that in most cases parents/guardians were responsible for paying student fees. Some parents were from disadvantaged backgrounds and others were not committed to paying. UNAM always accommodated students and offered payment arrangement methods which were not kept as promised by the students. Too much ignorance by parents and students with regards to their outstanding fees; they did not see paying as a priority. 20% indicated that the UNAM portal did not show outstanding balances clearly, especially for hostel students. There were some NSFAF holders that did not receive full financial assistance; there was negligence from students as they only tended to find out how much they owed towards the end of the year when they were informed by the Bursar that they would not be able to sit for exams with outstanding balances. 20% indicated that students were not well informed about the ways to settle their accounts. 20% stated that students were not informed in advance about the cost of tuition in order for them to do proper budgeting. Course material was not given timely to students; therefore, they refused to pay, reasoning that UNAM had failed to render service. 20% indicated that there were no strategies in place for students who did not settle their accounts by the due date, which was 30 June annually; there was no student finance policy in place as it was still in the process of being formulated.

4.6.2 Views collected through open-ended questions from students and staff on strategies to improve the collection of student fees

Following the itemized question in Table 13 and 14 above, as per the questionnaire (Student questionnaire, Appendix 1, Section III, question 9) and (Staff questionnaire, Appendix 2, Section III, and question 13) there was an open-ended question where the students and staff members were asked to list some strategies to improve collection of students' fees.

Table 15: Responses to Section III, open-ended question by students

Question 13: Give additional comments or opinions on how UNAM can improve on collecting student fees
22.2% suggested that more financial assistance (NSFAF), as well as payment for diploma and certificate courses, should be made available to distance students.
13.6% of the respondents indicated that the institution should provide extensive information on outstanding fees and offer counselling sessions about financial matters before registration, with clear indications of how much modules costs, as the total cost of the course was only obtained after registration.
4.2% of respondents suggested that UNAM should send statements on a monthly basis and advise students on possible payment methods.
2.7% suggested that the government of Namibia should make tertiary education free.
2.7% of the respondents suggested debit order payment.
2.1% of the respondents posited that UNAM should release degrees and certificates for the students owing money so that they could look for a job and pay off the debt.
2.1% indicated that UNAM should stop handing over accounts to the debt collector.
2.1% suggested that UNAM should notify students/donors of the outstanding student fees via emails.
1.4% of the respondents indicated that the wrong registration of student accounts should be cancelled and rectified on time.
0.7% indicated that staff rebates should be processed on time to avoid false indications of outstanding student fees.
1.4% suggested that UNAM should find a better way to clear the accounts of exchange students.

1.4% responded that exam results should be withheld and no registration could be done without settling the outstanding student fees.

0.7% of the respondents indicated that NSFAF should pay before registration.

0.7% indicated that lecturers should attend vacation schools for students studying through distance.

0.7% of the respondents suggested that students should pay at least 50% of their tuition fees upon registration.

0.7% of the respondents indicated that UNAM should appoint more supervisors for postgraduate students registered for the thesis/dissertation writing.

0.7% of the respondents indicated that UNAM should trace student payments made overseas better.

0.7% suggested that distance students' study materials should be dispatched to the students on time.

39.2% of the respondents did not answer this question.

Table 16: Open-ended response from UNAM staff members: Section III

Question 13: In your opinion, what could be done to solve the increasing default rate for student accounts receivable
one respondent strongly suggested the following: a strong debt collection team; a department that did regular follow ups on outstanding accounts; utilising the latest technological strategies for collection; the attitudes of other departments should change and debt collection should be a team effort within the institution; debit order payment should be encouraged; the UNAM management and the Student Representative Council should work hand in hand with regards to students outstanding fees; fundraising activities for students to settle their fees needed to be encouraged. One respondent suggested that the institution should look into increasing the down payment at registration rather than reducing it; they should put emphasise on the due date of payments and if not, to met deregister students; introduce registration twice a year (registration per semester). One respondent indicated that regular communication with the students should be encouraged; monthly statements should be sent; monthly payments should be made; there needed to be open communication channels for students to be advised on how they could settle their accounts; students should be advised how to launch formal complains if they had unresolved issues with the university; payment methods that students may use to settle their accounts should be implemented. One respondent suggested that students should be informed well in advance about their

financial obligations to the university, students should be advised that if they decided to discontinue with the course registered for they should inform the faculty officer and cancel, otherwise if cancellation was not done they would be liable for the outstanding account.

One respondent indicated that students intending to pay fees via debit order should present proof of employment, as well as valid bank account details that belonged to them; students should not be allowed to register if they did not have a big enough deposit payable at registration.

Staff members indicated that there was no in-house debt collection and recovery system to assist the Credit Control staff with the collection of debts; to overcome this challenge the university management should develop or buy a debt management system or software.

4.7 Conclusion

This chapter discussed the data analysis and specifically looked at the descriptive analysis and six Tables showing the results of the hypothesis testing were presented, indicating whether each hypothesis was significant or not significant. In order to scrutinise the data gathered further, additional qualitative information was collected from the open-ended questions which corroborated the findings from the quantitative analyses.

The results provide a snapshot of the state of defaulted students' accounts receivable, exposing evidence of the reasons for defaulting on payment at UNAM. The results, furthermore, relate to what was reviewed in the literature. Some concluding remarks about the implications for practice, policy and further research will be presented in the final chapter.

CHAPTER 5

SUMMARY, DISCUSSION AND CONCLUSIONS

5.1 Introduction

The anticipated hypotheses for this study were tested, and the results were presented in the previous chapter. Firstly, this chapter is organised to provide a summary of the research results, followed by a discussion of the research findings related to each of the six hypotheses. Secondly, conclusions are then drawn for each research objective as presented in Chapter 1. Thirdly, some of the implications of the research findings on practice and policy are discussed and the chapter concludes with recommendations for future research.

5.2 Research summary

Over the past decade, institutions of higher learning worldwide have experienced difficulties in collecting money on outstanding student accounts.

The purpose of this study was to investigate reasons for defaults on student accounts at the UNAM. The second objective of the study was to determine whether there was a significant difference in students defaulting on payment according to demographic variables (course enrolled for, type of financial sponsorship, mode of offering (part-time, fulltime and distance studies), gender and age. Lastly, strategies to improve the collection of student accounts receivable at the UNAM will be suggested.

A self-administered questionnaire survey was utilised for data collection. This study was conducted from a quantitative, research approach**.** The population of this study comprised students of the UNAM, as well as all the staff members employed in the Student Debtors

Section of the Finance Department. The participating students last registered at the UNAM in 2012 and were handed over to the debt collector (VeriCred collections) in 2013. In addition, the five staff members consisted of one Assistant Bursar, one Accountant, two Finance officers and one Credit Control officer.

A sample of 159 students was considered in the study after the researcher had studied a list of 1 449 defaulting students who were handed over to a debt collecting company in 2013. Purposive sampling was used to select the staff members in the Student Debtors division and random sampling was utilised for the student respondents.

A Chi-square is a measure of how closely the observed distribution approximated the expected distribution (Gall, Borg & Gall, 1996). In this study a Chi-square test of significance was used for testing the relationships between the categorical variables (whether the course of study enrolled for was completed or not, financial sponsorship, mode of study, gender, age, educational level of parents and the reasons for defaulting on payment).

The results show that whether a course was completed or not, financial sponsorships and mode of study were positively related to some reasons for defaulting on payment. Gender, age and the educational level of parents was found to be closely related to one reason (Not informed about outstanding fees) for defaulting on payment. In view of the importance of investigating defaulted student accounts receivable at the UNAM and the lack of research on this phenomenon in the Namibian context, this study makes a contribution to understanding why students default on payment, whether student and institutional characteristics contribute to the default on payment, as well as provide strategies that can contribute to the effective collection of student accounts. Findings are discussed in more detail in the following section.

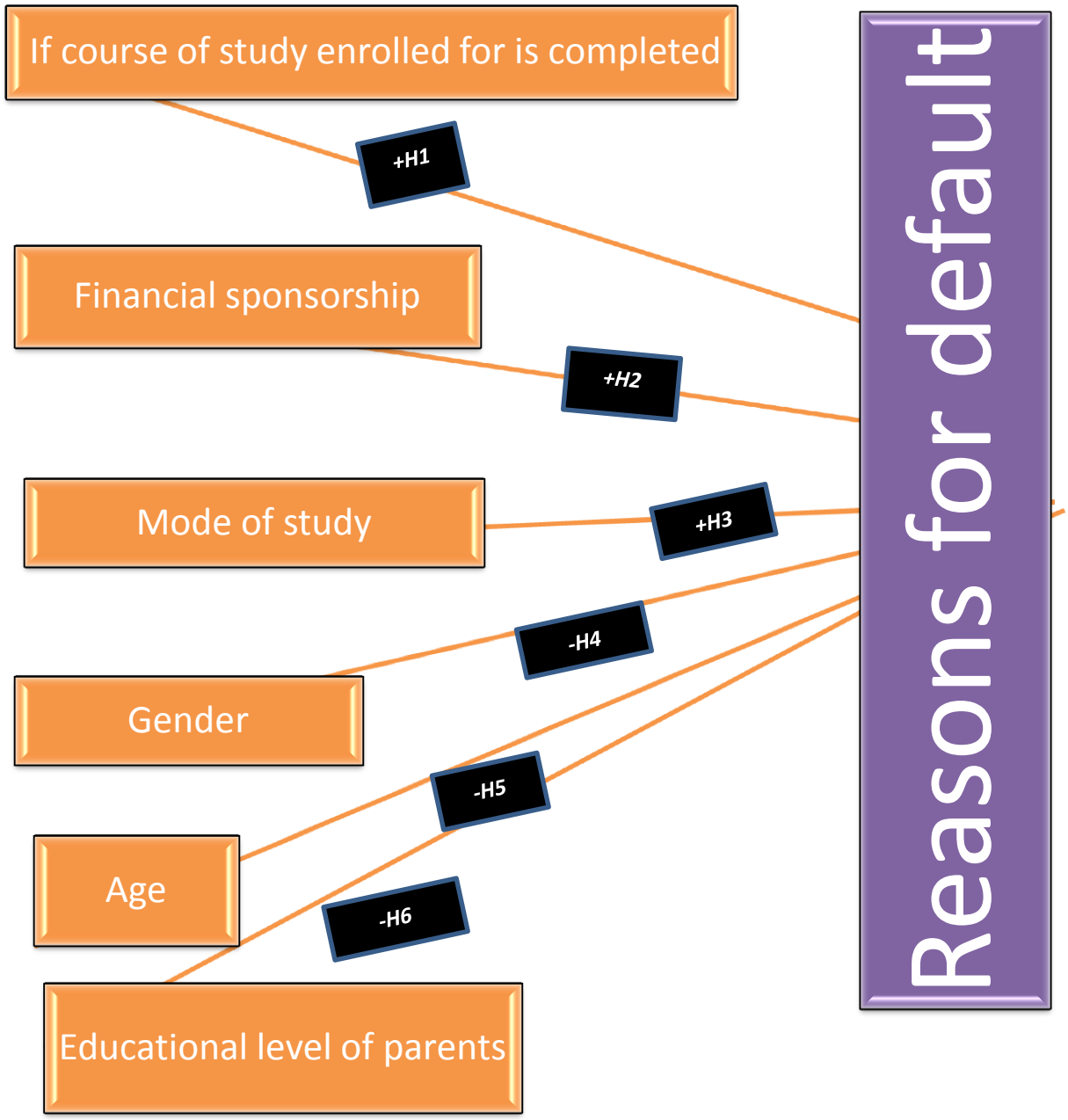
5.3 Discussion of the results

This study had three objectives as specified in the first chapter. A total of six hypotheses were developed to determine whether there was a significant difference in students defaulting on student fees when broken down on the basis of: a) whether the course enrolled was completed or not, b) the kind of financial sponsorship, c) the mode of study (part-time, fulltime and distance), d) gender, e) age and f) the educational level of parents. Figure 3 presents the proposed conceptual model of student default on payment with the six proposed hypotheses.

Figure 4 below presents the hypothesised relationships between demographic and institutional variables and reasons for defaulting on payment. Jöreskog (1993) states that the models provide the researcher with a way of describing a set of variables, as well as how they are related to one another. It also helps to impose a structure for a hypothesised model in order to reject or accept the results from the model.

This study has provided the combined characteristics of students who defaulted on paying tuition fees in the 2012 academic year at the UNAM. It not only reveals some similarities with prior reports, but similarly increases extensively the understanding of who are the Namibia tertiary education students. The findings of this study provide some evidence that the majority of students who defaulted on payment were from the Khomas region, which is regarded as an urban area.

Figure 4 - Proposed conceptual model of students defaulting on payment of tuition fees



5.3.1 Hypothesis 1

H*1* indicates that the completion of a course of study had a direct impact on the student's reasons for defaulting on payment. The results were found to be significant only for the following: Personal income inadequate and interference from personal problems. It is

suggested that the completion of a course and the other thirteen reasons for defaulting on payment suggested in this study did not show a statistically significant relationship. Therefore, **H_1** is accepted. The findings of the study are consistent with the results of the previous study on default behaviour at a university (Steiner & Tessler, 2003). The researchers further advise that finishing university studies and obtaining a degree decrease the propensity for students to default on payment. Furthermore, the findings of this study suggest, furthermore, that personal income and personal problems with regards to the completion of the studies related to students defaulting on payment.

5.3.2 Hypothesis 2

H_2 states that students' financial sponsorship has a direct effect on the reasons for defaulting to pay the outstanding fees. The findings show that there was a statistically significant relationship among the following reasons only: increase in student fees resulted in students defaulting on payment, personal income inadequate and interference from personal problems. ***H_2*** is thus accepted**.** Although financial sponsorship was determined to be a reason for defaulting to pay (for 3 reasons only) in this study, having worked in the student Debtors Section for 8 years leads the researcher to believe that students who do not have enough personal income are more likely to default on payment. The researcher believes that there is a need for the staff members in the Student Debtors Section and the Bursar's involvement to understand better the needs and challenges faced by these students.

H_2: Students' financial sponsorship is positively related to reasons for defaulting on payment (increase in student fees resulted in students defaulting on payment; personal income inadequate; interference by personal problems). Furthermore, the results of this study indicate that more than 67% of students and 40% of staff agreed that the current financial assistance

was not enough; this supports the conclusion of Wangenge-Ouma (2012) who notes that there is insufficient financial assistance for students in South Africa, especially from the student financial agency NSFAS. When one considers the study by (Volkwein, 1995) regarding students who received scholarships/grants, it is clear that none of them were defaulting on their payments. In contrast, the findings by Meyer (1998), also in a study on students defaulting on payment, reports that students who had non-loan aid sources were more likely to default on payment. Although financial sponsorship was not determined to be a reason for defaulting on payment in this study, personal experience of having worked in the student Debtors Section for eight years leads this researcher to believe that students who do not have enough personal income are more likely to default on payment. The findings of this study suggest that there is a need for staff members in the Student Debtors Section and the Bursar to become involved in order to understand better those needs and challenges faced by these students in order to combat student debt successfully.

5.3.3 Hypothesis 3

H3 states that students' mode of study has a direct effect on their reasons for defaulting on payment. The results of the proposed model of student default on payment reveal a significant relationship between mode of study and the following reasons: financial assistance not enough to cover tuition; books and accommodation; increase in student fees resulting in students defaulting on payment; too much debt. **H3** is accepted based on the reasons mentioned above. When further analysed, according to the mode of study, the data showed that significantly more students studying through the distance mode, compared to full-time students, agreed that financial assistance was not enough. For example, Macy and Terry (2007) in their study analysing the determinants of student debts report that full time status was found not to be

statistically significant to defaulting on payment. The deduction that could be made is that the study evidently supports the finding above that it is not full time students that default on payment but rather distance students, as supported by the hypothesised relationship of *H3*. Moreover, at present the NSFAF assists financially a small percentage of students studying via distance at UNAM and, therefore, the results show that more distance students agreed with the statement. It was found, and reported by the staff, that some students decided not to pay their accounts as course materials, especially that of distance students, were distributed very late in the year and sometimes even after tests had been written. Therefore, students refused to pay and insisted that UNAM had failed to deliver service to them which contributed to unpaid accounts and influenced defaulting on payment.

5.3.4 Hypothesis 4

H4 states that students' gender has a direct effect on the default rate of student accounts receivable. The findings show that that there was no significant relationship between gender and the 15 reasons for defaulting on payment. In general, the student default model, however, does not support this relationship and ***H4*** is rejected. The findings were consistent with those of Macy and Terry (2007) which reveal that gender was not a statistically significant determinant of average student debt and concluded that the insignificance for gender variables was due to additional funding opportunities. Contrary to the above findings, other studies conducted by Lochner and Monge-Naranjo (2008), Podgursky, et al. (2002), Volkwein and Sselest (1995) report that females were less likely to default on payment than males, and that there was no significant difference between females and males in the likelihood of defaulting on payment. In the analysis of the relationship between gender and reasons for defaulting on payment, the Chi-square showed that this relationship did not emerge as a reason for

defaulting on payment. The results were Chi-square = 5.71; df =2; $p > 0.05$. Furthermore, the Student-Institution Fit Model suggests that student traits, such as gender, can help to explain repayment behaviour (Flint, 1997).

5.3.5 Hypothesis 5

***H*$_5$** states that students' age has a direct effect on their reasons for defaulting on payment. The hypothesised relationship between age and 15 reasons for defaulting tested not significant and ***H*$_5$** is rejected. Contrary to the suggested findings, findings from previous studies (Christman, 2000; Flint, 1997; Gross, Cekic & Hillman, 2009; Harrast, 2004; Herr & Burt, 2005; Podgursky et al., 2002; Steiner & Tessler, 2005) indicate that nearly all studies that considered the age of the students concluded that as student age increases the possibility to default on payment arises. These studies further show that students who are older are more likely to default on payment. The older students tend to have greater financial obligations besides paying for college, and these other expenses, for example, having to support the family, may justify their higher tendencies to default on payment, whereas younger students have relatively few financial obligations. Survey responses pertaining to age and reasons for default on payment suggest that the majority of the students between the age of 21 and 30 years defaulted on payment not because they were not informed of their outstanding fees. A possible answer could be that most students are young when they enter tertiary education straight from high school, and are more likely not to default on payment as most of them receive financial assistance from the banks or financial assistance funds for students.

5.3.6 Hypothesis 6

***H*$_6$** states that the educational level of parents has a direct effect on the reasons for defaulting on payment. The results of the proposed student default model, however, did not find a

significant relationship. H_6 is rejected as the Chi-square test result for this relationship was found to be not statistically significant. The findings indicate that parents' educational level was negatively related to defaulting on payment. These results are not in agreement with those of Steiner and Tym (2005) who specifically found that fathers' education level affected students' probability to default on paying their tuition fees.

In this regard, further research needs to be conducted, adding the parents' income level, although we can assume that the higher the qualification the higher the income level. Therefore, this assumption needs to be measured.

5.3.7 Reasons why students default on payment

The reasons why students defaulted results were presented in the previous chapter. These results are discussed below.

5.3.7.1 Students

Answers to these questions were obtained from the students responding to 8 statements (refer to APPENDIX 1, section II).

Sixty-six percent of the respondents disagreed with the statement that they were not informed about outstanding fees. A deduction can be made that students were fully aware that they had outstanding fees but because they did not have money or wanted to spend the money on something else, they defaulted on repaying their debts.

To the question whether financial assistance from sponsors was or was not enough to cover tuition, fees, books and accommodation, a total of 67.8% of confirmed that financial assistance from sponsors was not adequate to cover these costs. In a study by Rhode and Menon (2005) rising university costs caused the NSFAS to give only small amounts which

resulted in the fact that even those who were awarded loans could not pay their university fees in full. This situation is not likely to change in the near future as the government is facing limited resources.

The statement that the increase in student fees resulted in students defaulting on payment was agreed upon by 67.1% of the respondents. The rise in university student debt is driven by the dramatic increase in tuition fees (Dong & Wan, 2012). A deduction can be made that parents and sponsors are already struggling to pay the current fees, and an increase in tuition fees just makes the situation more difficult for them. The imperfection in the current subsidies from the government reflects a situation of high charging and low subsidising, which promotes defaulting on payment.

Eighty six percent of the respondents disagreed with the statement that student support and services (i.e easy access to see outstanding fees, and getting hold of finance enquiry officers) were not effective. Van der Schee (20017) posits that it is important to have trained staff to provide quality, timely service and, if these are not in place, ii affects the payment behaviour of students negatively. A deduction can be made that the university is trying hard to avail staff members to assist students to access their accounts.

The results from this study reveal that 63% of the respondents agreed that tertiary education was too expensive. University fees today are extremely expensive in real terms, as they have increased in the last half of the previous century as a result of proposed increases (Calitz & Fourie, 2016). The findings of the current study are in agreement, and one can explain that the increase in fees is the main reason. It can perhaps be further explained that fees are increased for improvements to campus facilities. Furthermore, the addition of more administrative staff

makes tertiary tuition even more expensive without necessarily improving the quality of the education that students receive.

Sixty six percent of the students agreed that they had too much debt. A deduction can be made that students could be defaulting on payment because they had other personal debts besides tuition fees to settle. The statement "Spend money on luxuries (cigarettes, alcohol, expensive gadgets)" received a response where 104 respondents disagreed with the statement. The assumption, in general, could be that students realise that paying for education is more important than living a lavish life. Students could be sending out the message that universities should avoid spending more money on luxury buildings (as they are in competition with other institutions) which leads to an increase in tuition fees. The increase in tuition fees is then used by university management to help fuel the academic arms race.

A percentage of 62 respondents were in disagreement with this statement: "lack of knowledge about possible educational funding institutions in Namibia about acquiring funding". A deduction can be made from these results that students at UNAM were aware of the possible companies and organisations that provide educational funding to students.

Dissatisfaction with academic programmes enrolled for was posed as one of the reasons why students defaulted on paying their debts. More than 90% of the students disagreed with this statement. Contrary to the above, a study done by Steiner and Teszler (2003) found that, if the majors selected by the students were not specific, it was more probable that they would default on payment. The deduction by Steiner and Tezler could be that students would be more likely to pay for programmes they are interested in doing.

The results from this study show that 48% of the respondents disagreed with the statement that "limited knowledge of payment arrangements/methods results in default". Thirty-one percent responded neutrally, and 30.1% disagreed with the statement. The results show a nearly even distribution among the three response categories to the statement (disagree, neutral and agree). Furthermore, in another study by Brachfield (2004) the results indicate that the university should encourage payment plans by encouraging students to pay even smaller amounts already from the beginning of the academic year. The deduction that could be made is that students might not know of any payment arrangements already in place.

Of the respondents, 86% disagreed with the statement that "Inability to communicate outstanding fees to parents/sponsors" resulted in their defaulting on payment. This indicates that students do communicate with their sponsors and parents about the outstanding fees, and it can be further interpreted that the statement above is not the reason why students default on paying their tuition fees.

Eighty percent of the respondents disagreed that an inability to manage financial resources as the reason why they defaulted on payment. However, these results are contrary to those of Jariah, Husniyah, Laily and Britt (2004) who argue that students who do not have sufficient knowledge and skills to manage their financial resources default more. A deduction that can be made is that somehow financial knowledge does not influence defaulting on payment as per the results of this study.

Of the respondents, 80.1% agreed that personal income being inadequate to keep up with payments was the reason why they defaulted on payment. The statement above has been supported by the findings of Flint (1994) who found that students from lower-income houses

tended to default due to a lack of insufficient income. Calitz & Fourie (2016) also found the following:

By 2006, the cost in 2005 Rands of a BA degree at Stellenbosch had risen by 22%. But the negative effects of such an increase were eased by the rapidly increasing incomes of the late 1990s and early 2000s.When growth slowed, however, as had happened after the global financial crisis struck in 2007, and the increases in tuition fees did not, the consequences on students' ability to afford higher education were dire (p.6).

Therefore, it can be assumed that a lower income results in students not being able to afford paying their tuition fees.

The effect of interference from personal problems as a reason for defaulting on payment was probed in this study. Fifty nine percent of the respondents agreed and 46 % disagreed. A deduction could be made that students were affected by problems that required them to perhaps use the funds intended for university fees. In the end they found it difficult to replace those funds and pay the institution. Personal issues, such as stress, addictions and health, could be associated with this reason to default on payment.

Ninety seven percent of the respondents disagreed that poor academic performers who were dissatisfied with university experience decided to drop out and not pay. This statement is contrary to those results by Garcia (2016) who states that students who do not complete their studies due to poor performance are likely to default. One can perhaps say that even when students are performing well they can still default on paying their tuition fees.

5.3.8 Strategies on improving collection of student accounts receivables

The findings of the study reveal that there were no significant differences between the variables and the strategies to improve collection of student accounts when the Chi-square test was run. However, descriptive analysis was also done and the results for both students and staff members are discussed below.

5.3.8.1 Students

Answers to these questions were obtained from the students responding to 8 statements (refer to APPENDIX 1, section III). These statements included several issues related to strategies to improve the collection of student accounts. These included counseling students about outstanding fees, reminding students/parents/sponsors by means of emails, phone calls, sms, posters and the student portal, providing students/parents/sponsors with statements/invoices regularly, maintaining constant communication between students and UNAM, students reducing their spending on luxury items to pay tuition fees, good financial planning, learning about financial management and, lastly, finding ways to increase disposable income.

In this study, 97.9% of the respondents revealed that counseling students about outstanding fees had had a positive effect on the increased collection of student accounts due. The findings suggest that organising intensive counseling sessions which create payment attitudes yield a positive result in preventing students from defaulting on payment and also serve as a reminder of their financial obligations (Herr & Burt, 2005 as cited in Gross, Cekic & Hilman, 2009). This could imply that students face financial problems and they do not know to whom to turn for assistance in understanding the availability of payments options in such times.

The majority of the student respondents agreed that maintaining constant communication between students and parents improved collection. Consistent with the findings in this study, Van der Schee (2007) reports that the concept of customer relationship in the context of higher education is vital. Students observe their value to the institution by interacting with staff members. This could indicate that students want to be part of the university community and prefer that to be done via valuable student-staff relationship management.

More than two-thirds of the respondents indicated 'yes' to the following two statements: "good financial planning" and "learn about financial planning". These finding are supported by Forest and Kinser (2002) who suggest that the bursars of universities should take a proactive role in assisting students with financial concerns by providing payment programmes. Furthermore, in another study by Brachfield (2004) the results demonstrate that the university should encourage financial planning by informing students to pay even smaller amounts already from the beginning of the academic year. The deduction that could be made is that students might be experiencing challenges in good financial planning, especially when it comes to paying their outstanding student accounts.

A vast majority of the students agreed that there was a need to provide students/parents/sponsors with statements/invoices regularly and on time. Paralleling these finding are findings by Karlsson (as cited in Lamberg & Vålming, 2009), who found that early campaigning should be done by invoicing, sending out statements on time to minimise the risk of students defaulting on payment. This could mean that sending account statements and invoices earlier would allow students, donors and parents to prepare in time and plan financially well in advance. In addition, when invoices and account statements are received late, it causes havoc for those responsible to pay the accounts.

Moreover, 98.6% of the respondents agreed with the statement “Reminding students/parents and sponsors via different media”. These results show that the statement was fully supported. The findings suggest that the respondents perceived the strategy to be the same as suggested by previous studies (DeVaney, 2006). They suggest that one-on-one contact works for some individuals but some others prefer impersonal contact, such as sms, phone calls and electronic mail. Overall, the findings provide evidence to adopt the strategy of utilising other communication methods.

Reduction in spending on luxury items to pay tuition fees received a 93.8% positive response from the students. The assumption, in general, could be that students have realised that paying for education is more important than living a lavish life. From the institution’s side, student could be sending out a message that universities should avoid spending more money on luxury buildings (as they are in competition with other institutions) which leads to an increase of tuition fees.

A further question concerning finding ways to increase personal income was probed. A major portion of the respondents agreed with the statement. The message that is communicated by these results is that the students were positive that one had to find ways to increase income in order to pay outstanding accounts. Students can find ways to apply for possible student assistant positions that may be available and/or do part-time work during their semester breaks or during their social time.

5.3.8.2 Staff

Answers to these questions were obtained from the staff responding to 12 statements (refer to APPENDIX 2, section III). The majority of the staff members agreed with the statements about what is required to improve the collection of student fees. This study asked the

following twelve questions: frequently reminding students about the outstanding fees; sending statements/invoices earlier; students not being allowed to enroll for the next academic year if they still had outstanding fees from prior years; maintaining constant communication between students and UNAM; the bursar actively assisting students by arranging and recommending ideal repayment strategies; establishing proper collection mechanisms and credit management policies; managing students' debt by marketing and informing them about settlement discounts, family rebates; more scholarships being awarded to mitigate defaulting on payment; counseling efforts by finance department staff, organising default awareness workshops for students, especially during orientation, and admitting only students with good academic records and those continuing with studies.

Moreover, 5 respondents agreed with the statement "Reminding students/parents and sponsors via different media about outstanding fees". Previous studies suggest that one-on-one contact works for some individuals but some others prefer impersonal contact, such as sms, phone calls and electronic mail (DeVaney, 2006). Overall, the findings provide evidence to adopt the strategy of utilising other communication methods. A possible explanation for this finding could be that the more contact you have with customers, the more success you will have with collecting your outstanding accounts on time.

A total of 5 respondents agreed that there was a need to provide students/parents/sponsors with statements/invoices regularly and on time. Paralleling these finding are findings by Karlsson (as cited in Lamberg & Vålming, 2009), who found that early campaigning should be done by invoicing and sending out statements on time to minimise the risk of students defaulting on payment. The deduction that could be made is that time lag can have a negative

impact on the university's cash flow. Delaying sending out account statements and invoices on time will result in more expenditure than income.

The results obtained from the statement whether the bursar should actively assist students by arranging and recommending ideal repayment strategies was answered in the affirmative by all 5 respondents. This finding is supported by Forest and Kinser (2002) who posit that the bursars of universities should take a pro-active role in assisting students with financial concerns by providing payment programmes. Furthermore, in another study by Brachfield (2004) the results demonstrate that the university should encourage financial planning by encouraging students to pay even small amounts already from the beginning of the academic year. The deduction that could be made is that the university staff regards this strategy important as it has the advantage of receiving payments throughout the financial period versus one lump-sum payment at the end, which negatively affects the institution's cash flow.

Four (4) of the respondents agreed that maintaining constant communication between students and parents improves collection. Consistent with the finding in this study, Van der Schee (2007) reports that the concept of customer relationship in the context of higher education is vital. Students observe their value to the institution by interacting with staff members. This could mean that staff members understand the importance of communication with students as it results in the prolonged success of the institution. Additionally, the staff may feel that communication could help the university adapt to students' changing needs, as well as that failure to communicate can cause students to forget about their accounts and that students may feel also neglected.

In this study all 5 respondents revealed that counseling efforts by Finance Department staff were certainly appropriate. The findings suggest that organising intensive counseling sessions

which create payment attitudes yields a positive result in preventing students from defaulting on payment (Herr & Burt, 2005, as cited in Gross, Cekic & Hilman, 2009). In this regard, a conclusion can be drawn that the counseling helps the university to maintain a trust relationship with students, helps students to see other possibilities of being funded and assists staff also to take time aside and explore how the financial difficulties of students can be overcome.

The study revealed that only 2 of the staff agreed that the university should admit only students with good academic records and continuing with studies. Another study supports the statement above and proposes that students should be encouraged to perform well in their studies to avoid defaulting on payment, especially those in their first year of enrollment (Nyahende, 2013a). This could imply that students are leaving university with debts and without degrees. It can evidently be seen from the results that the staff members did not strongly agree with the statement. A deduction can be made that since most universities belong to the state, they have open-door admission policies which may conflict with the above statement.

Students are not allowed to enroll for the next academic year if they still have outstanding fees from prior years. The results to the response of the statement above show that 4 staff members agreed. In line with the above, a study conducted by Rhode and Menon (2005) found that improvement on the collection of student fees can only be addressed by freezing tuition fees. A possible explanation for this finding could be that the university is acting responsibly to discourage the escalation of debt. Furthermore, it could be explained that student debt weighs heavily on the universities and stopping them from enrolling with debt could be the only way out.

All five (5) staff members agreed with the statement that a strategy to improve collection by means of proper collection mechanisms and credit management policies ought to be implemented. The maximisation of the performance regarding the collection of student fees requires an institution to choose safer and more flexible account receivable policies (Michalski, 2012). The deduction that could be made is that policies communicate a consistent standard to the students and staff as it leaves little room for doubt. Moreover, it can also be explained that proper policies and mechanisms yield a sense of fairness that will only improve student relationships and limit bad debts.

The data revealed that all 5 respondents agreed that there was a need to manage students' debt by marketing and informing them about the settlement discounts and family rebates. It may be that if quick payment is incentivised and early payment discounts properly advertised through email marketing, one could motivate others to follow in the prompt-paying students' footsteps.

All respondents agreed with the statement that advocates for more scholarships to be awarded in order to mitigate default in payment. In support of this, Fahim and Sami (2011) advocate that the government should be targeted to avail subsidies to the neediest students who cannot pay their student fees. The deduction that could be made is that scholarships improve the default rate of students, especially for those from low-income families, by providing financial aid for those who need it most. It could be further interpreted that it is very rare for students with scholarship to default on payment although few cases are bound to occur due to students not performing.

It is indicated that 5 respondents agreed that organising default awareness workshops for students, especially during orientation, improves the collection of student fees. This could

imply that new students are making one of the biggest transitions of their lives by leaving home and starting life as college students. Students need to be informed of the importance of their payment obligations. Furthermore, meeting other parents will also provide a feeling of community, as well as the potential for long-lasting friendships with the university.

5.4 Conclusions about the research problem

Research regarding reasons for students defaulting on the payment of their tuition fees is limited and comprises mostly studies done on student loan default, mainly in the USA and a few countries in Africa. In order to gain a national perspective on universities, a survey was developed and administered to the students and staff at UNAM. The study objectives were met and the following conclusions were made from the study:

1. In terms of reasons for defaults on student accounts receivable, the results of this study reveal that more students default on payment due to inadequate personal income, financial assistance not being enough, as well as an increase in fees.
2. There was a significant relationship between defaulting to pay and aspects, such as whether the course enrolled for was completed, financial sponsorship, the mode of study. Gender, age and the educational level of parents showed an insignificant relationship with defaulting to pay. Although the Chi-square analysis was not rich in statistical significance, the data did reveal practical findings that add to the research regarding reasons for defaulting on payment.
3. The study suggests implementing the following strategies to improve the collection of student fees: counselling; reminders; sending statements and invoices earlier; maintaining constant communication with students; reducing spending on luxury items to pay fees; financial literacy; finding ways to increase income.

5.5 Implication for practice and policy

Increased media attention and the issues of the rising cost of higher education, insufficient financial assistance, unemployment and low income have converged. This conjunction has resulted in an enhanced awareness and concern in Namibian national discourses among policy makers, university management, students and their families, economists, think tank groups and the general public about the magnitude of outstanding student debt and the challenges associated with paying university fees. Consequently, from a policy perspective, this topic has gathered prominence among Namibians, making it highly significant. The study findings have two major implications for practice.

Firstly, when one considers the positive relationship that was found between the mode of study and age and the reasons for default on payment, it becomes clear that efforts must be directed at the Ministry of Education, through NSFAF and other institutions, to increase financial assistance. More bursaries, loans and scholarships should be made available, also to those students who are studying diploma and certificate courses, especially students studying through the distance mode.

Secondly, an implication of the study findings is that an increase in fees, inadequate personal income, interference by personal problems, financial assistance not being enough, tertiary education being too expensive, money spent on luxury goods, an inability to communicate and a lack of knowledge regarding available funding opportunities are some of the reasons why students default on the payment of tuition fees. Other findings from open-ended questions reveal that students default on payment due to unemployment, studying abroad, study materials arriving late, family members responsible for the fees passing on, health problems, not cancelling studies on time and missing the cancellation dates, wrong registration,

payments done without valid reference numbers and bursary sponsors not settling the account. It is, therefore, vital for the university to find other ways of raising funds, but not through increasing tuition and fees. Students should be advised at the beginning of the academic registration that, should they wish to discontinue their studies due to institution changes or other reasons, cancellation of courses should be done on time to avoid unnecessary outstanding fees at the end of the academic year.

The recommendations to be presented derive from the results reported and discussed in the previous sections which will address the student accounts defaulting problem.

The institutional policy initiatives should emphasis providing future, enrolled students and their parents a chance for individual counselling and advice during the registration period, as well as throughout the year, on financial assistance available in the country. A broad understanding of student debt is one of the utmost critical subjects where individualised, financial assistance, advice, counselling, as well as the consequences to be faced by defaulters, are needed. For the university management, this recommendation would require governmental and institutional leaders to prioritise and apportion adequate monetary and human resources to ensure a fruitful implementation because it will demand a significant and advanced transformation from the existing arrangement.

To the extent that the study found strategies to improve on the collection of student fees, a conclusion could be drawn that these strategies are consistent with those from previous studies (Karlsson, 1996, as cited in Lamberg & Vålming, 2009; Herr & Burt, 2005; DeVaney, 2006; Fahim & Sami, 2011). Counselling, financial planning, reminders and more financial assistance were particularly found to be strategies to improve the collection of student fees. These findings suggest that proper collection strategies reduce institutional default rates. The

students and staff responding to this investigation by means of a survey of student accounts default clearly identified the need for the implementation of these strategies by the university management. Both qualitative and quantitative findings illustrate that availing more financial assistance, providing counselling sessions and free education, as well as increasing the deposit payable at registration were some of the strategies raised. It is thus recommended that the university should encourage students to pay even small amounts already from the beginning of the academic year to enhance payment habits and avoid huge outstanding balances (Brachfield, 2004). It is, furthermore, recommended that the university provide counselling sessions, as well as enforce at least the payment of a 50% deposit of student fees at registration.

NSFAF providing loans, financial assistance and bursaries for private organisations are aspects that the policy makers must consider. Seeing that there is no approved finance debtor's policy, it will be difficult to implement the strategies mentioned above. The policy would be helpful in enforcing at least a 50% deposit of student fees payable at registration, and avoiding political interference that advocates for students to register with outstanding balances and without paying the deposit that is required upon registration.

An institution of higher learning, such as UNAM, has to outline a set of principles regarding outstanding student fees, as well as practical ways to direct the process of effective collection of such outstanding fees. In the same way, constant communication should be maintained between UNAM and the students to remind them of the outstanding fees, by sending out statements and invoices frequently. With reference to quality and timely service, extra guidance should be provided by cautiously managing those relationships with students which is required by the Student Accounts Office, given the sensitivity around making very important payments. What is more worrying is that decisions taken by management obstruct

the effective collection of student fees by allowing students to register with outstanding fees or register with paying only a small amount at registration. It is thus recommended that UNAM should stick to the measures put in place, such as not allowing students to register with outstanding student fees and increasing the required deposit payable at registration.

It is imperative to raise students' literacy of debt through various forms of financial education, such as educating prospective students at the first year orientation, financial seminars and workshops. Early education can prevent poor decisions that may have financial implications on their studies, and this strategy is worth considering.

A strong debt collection team that does regular follow ups on outstanding accounts by utilising a technological debt collection system for collection should be employed. As for the university bursar, he or she must take a pro-active role by assisting students with financial concerns, by arranging a deferred payment programme or recommending a repayment strategy by which students can be given invaluable advice for meeting the rising cost of tuition. Staff members should advise students to launch formal complaints if they have unresolved issues with the university regarding non-satisfactory services rendered by the university.

Finally, it is, therefore, imperative that the leaders of higher education institutions develop policies, programmes and services which would assist in identifying reasons for defaulting on payment and providing solutions. Without generous, additional, government funding to reduce tuition fees, as well as bursary and NSFAF loan assistance from the private sector and non-profit organisations, African and Namibian universities are unlikely to return to the status of low tuition fee institutions. Namibian universities may become places of protest in the foreseeable future. The findings of the study have practical and policy implications regarding the processes of the institution and thus suggest guidelines of how the university can improve on the collection of tuition fees and curb the default rate.

5.6 Recommendations for further research

Future studies ought to concentrate on institutional factors, such as student quality, academic support and student faculty, ratio as well as library resources. Furthermore, other universities, vocational institutions and colleges not included in this research need to be studied. This is to improve the results and show a representation of the entire Namibia. Furthermore, it will reinforce the diversity of the results to be applicable to other nations.

The literature presented in this study indicates that most of the research studies concerning student debt were done in developed countries and little has been done in developing countries like Namibia. Therefore, in future researchers should be encouraged to put more emphasis on investigating defaulted student accounts, as well as the implementation of best practices in repayment as a way to increase the collection of debt from student accounts receivable in regions like the Southern African Development Community (SADC) and Africa at large.

5.7 Conclusion

The perfect storm created by the economy, the increasing cost of tertiary education, the lack of available financial assistance and the default on student accounts receivable have magnified both the need and demand for a deeper investigation into defaulted student accounts and a comprehensive approach to improve the collection of student fees. It is imperative that the university takes cognisance of these reasons for defaulting on payment and student and institutional characteristics that contribute to this default, and couple it to the development and implementation of an effective default management system.

The study proposed a Conceptual Model of student regarding payment default which was tested. The findings suggest that the completion of the study course enrolled for, financial sponsorship and mode of study are significant determinants of students defaulting on the

payment of tuition fees. Conclusions were drawn from these findings with reference to the research objective.

The study suggests implementing strategies to improve the collection of student fees.

With the alarming amount of university student debt unsettled currently, this is a topic of great importance to the university management, students and their families, as well as the national economy that requires nationwide attention today.

The thesis concludes that the implications of the research findings for practice and policy are specifically relevant to the university management, students, parents and public, financial institutions providing study loans.

REFERENCES

Albrecht, D., & Ziderman, A. (1991). *Deferred Cost Recovery for Higher Education: Student Loan Programs in Developing Countries*. Retrieved from http://www.bbc.co.uk-

Brachfield, P. J. (2004). *Cornering Unpaid Debtors: Recovering unpaid debts through effective negotiations with delinquent clients. Barcelona:* Ediciones Gestion 2000, S.A

Brits, H. J. (2013). Attempting to understand student success at a University of Technology. Paper presented at the Clute Institute International Academic Conference, Paris, France. Retrieved from http://cluteinstitute.com/conferenceproceedings/2013PFPapers/Article%20315.pdf.

Brown, M., Haughwout, A., Lee, D., Scally, J., & Van Der Klaauw, W. (2015). Student Debt Growth and the Repayment Progress of Recent Cohorts. *American Bankruptcy Institute. 23.* 331-346.

Calitz, E. & Fourie, J. (2016). The Historically High Costs of Higher Education in South Africa. *Stellenbosch Economic Working Papers, 43 (1),*149-154

Chapman, B. (2006a). Income related student loans: Concepts, International reforms and administrativechallenges. In P. Teixeira, D. B. Johnstone, M. J. Rosa, & H. Vossensteyn (Eds.), *Cost-sharing and accessibility in higher education: A Fairer Deal?* Dordrecht, Germ: Springer.

Christman, D. E. (2000). Multiple realities: Characteristics of loan defaulters at a two-year public institution.*Community College Review, 27(4),* 16-32.

Clifford, M., Miller, T., Stasz, C., Goldman, C., Sam, C., & Kumar, K. (2013). How effective are different approaches to higher education provision in increasing access, quality and completion for students in developing countries? Does this differ by gender of students? *A systematic review* (Research report No.2105). Retrieved from http://eppi.ioe.ac.uk/cms/LinkClick.aspx?fileticket=XhyJT-t2YKU%3D&tabid=3420

Choombe, T. (1993). The new system of higher education in Namibia: Turner Report on Higher Education in Namibia. *Journal of Southern African Studies, 19(1)*, 60-79.

Creswell, J. W. (2014). *Research design: Qualitative, quantitative and mixed methods approach.* California, USA: Sage publications.

Daniel, J. (2011). *Sampling Essentials: Practical Guidelines for Making Sampling Choices.* California, USA: Sage publications.

DeVaney, P. L. (2006). *Bringing Pro-Consumer Ideals to the Client: A Consumer Protection Guide for Financial Institutions Serving the Poor*. Washington, DC: ACCION Publications.

Dong, H., & Wan, X. (2012). Higher Education and Tuition in China: Implication and Impacts on Affordability and Educational Equity. *Current Issues in Education*, 15(1)5-6.Retrieved from http://cie.asu.edu/ojs/index.php/cieatasu/article/view/811

Drozd, L., & Serrano-Padial, R. (2014). *Modeling the revolving revolution: the role of IT reconsidered*. Wharton Working Paper. Retrieved from http://finance.wharton.upenn.edu/~ldrozd/my_files/creditcards.pdf

Du Pisani, A., & Gretschel, H. (2003). The University of Namibia: Genesis, Founding, Development. In P. Naudé, & N. Cloete (Eds.), *A Tale of Three Countries: Social Sciences CurriculumTransformations in Southern Africa* (84-99). Lansdowne, South Africa: Juta & Co Pty Ltd.

Education and training statistics. (2003). *In Glossary Statistical Terms.* Paris: Education at a Glance.

Fahim, Y., & Sami, N. (2011). Adequacy, efficiency and equity of higher education financing: The case of Egypt. *Prospects*, 41(1), 47-67.

Flint, T.A. (1994). The Federal Student Loan Default Cohort: A Case Study. *Journal of Student Financial Aid*, 24 (1), 13-30.

Flint, T. A. (1997). Predicting student loan defaults. *Journal of Higher Education,* 322-354.

Forest, J. J. F, & Kinser, K. (2002). *Higher education in the United States: An encyclopaedia*. Santa Barbara, Calif.: ABC-CLIO.

Gall, M. D., Borg, W. R. & Gall, J. P. (1996). *Educational Research (6th Ed).* White Plains, NY: Longman Publishers USA.

Garcia, V. R. (2016). The Impact of Financial Education on Community College Student Loan Debt. *Retrieved from http://ir.library.oregonstate.du*

Gross, P. K., Cekic, O., Hossler, D., Hillman, N. (2009). What Matters in Student Loan Default: A Review of the Research Literature. *Journal of Student Financial Aid*, 39 (1), 19-29.

Harrast, S.A. (2004). Undergraduate borrowing: A study of debtor students and their ability to retire undergraduate loans. *NASFAA Journal of Student Financial Aid, 34(1)*, 21–37.

Herr, E., & Burt, L. (2004). Predicting student loan default for the University of Texas at Austin. *NASFAA Journal of Student Financial Aid, 35(2)*, 27–49.

Hodes, R. (2017). Questioning 'Fees Must Fall'. *African Affairs*, *116*(462), 140–150. DOI.org/10.1093/afraf/adw072

Horngren, C., Harrison, W., Oliver, S., Best, P., Fraser, D., & Tan, R. (2012). *Financial Accounting*. Frenchs Forest, NSW, Australia: Pearson Higher Education.

How much money students owe South Africas' universities (2015, October 21). *BusinessTech*.Retrieved from https://businesstech.co.za/news/general/101826/how-much-money-students-owe-south-africas-universities/

Jariah, M., Husniyah, A. R., Laily, P. & Britt, S. (2004). Financial Behavior and Problems Among University Students: Need for Financial Education. *Journal of Personal Finance*, *3*(1), 82-96.

Johnstone, D.B. (2003, September*). Higher Education Finance and Accessibility: Tuition Fees and Student Loans in Sub Sahara Africa, Improving Tertiary Education.* Paper presented at a conference in Accra, Ghana. Retrieved from accessibility_tuition_fees_and_student_loans_in_sub-saharan_africa.pdf http://gse.buffalo.edu/org/ion_papers/(2004)_higher_education_finance_and

Johnstone, D. B. (2005, May). Higher educational accessibility and financial viability: The role of student loans. In *World Report on Higher Education: The Financing of Universities II International Barcelona Conference on Higher Education, Global University Network for Innovation (GUNI) Barcelona, Spain, May* (24-25). Retrieved from http://gse.buffalo.edu/org/inthigheredfinance/

Johnstone, D. B., & Marcucci, P. N. (2007). Worldwide trends in higher education finance: Cost-sharing, student loans, and the support of academic research. *Commissioned paper V. Lynn Meek and Dianne Davies*, *81*.

Karlsson, A. (1996). Att Tjäna Pengar på Pengar –Cash Management. Skriftserien nr 31. Ernst & Young. Stockholm

Jöreskog, K. G. (1993). Testing structural equation models. Newbury Park, CA: Sage.

Joshi, A., Kale, S., Chandel, S., & Pal, D. K. (2015). Likert scale: Explored and explained. *British Journal of Applied Science & Technology*, *7*(4), 396.

Lamberg, S. &Valmig, S. (2009). *Impact of liquidity management on profitability: A study of the adaptation of liquidity strategies in a financial crisis.* (Master's thesis, University of Umeå, Umeå). Retrieved from http://www.diva-portal.org/smash/get/diva2:282882/FULLTEXT01.pdf

Lochner, L. J., &Monge-Naranjo, A. (2008). The nature of credit constraints and human capital. *American economic review*, 101, 2487-2529. http://dx.doi.org/10.1257/aer.101.6.2487

Lynch, L. J., (2017). MGM Mirage—Accounts Receivable. *Darden Business Publishing Cases*. University of Virginia Darden School Foundation. doi.org/10.1108/case.darden.2016.000201

Macy, A. & Terry, N. (2007). *The Determinants of Students College Debt.* Retrieved from http://www.ser.tcu.edu/2007/ser2007%20macy%20terry%2015-26.pdf

Misino, D. J. (2004).*Negotiate and Win*. New York: McGraw-Hill.

Meyer, D. (1998). Predicting which Borrowers are more likely to default. In Meyer, D., *Student Loan Default in Texas: Yesterday, Today and Tomorrow*. Austin, TX: Texas Guaranteed Student Loan Corporation.

Michalski, G. (2012). Efficiency of accounts receivable management in Polish institutions. *European Financial Systems*. 148-153. Retrieved from https://www.researchgate.net/profile/Piotr_Tworek/publication/

Migali, G. (2006). Funding higher education and wage uncertainty: Income contingent loan versus Mortgage Loan. *Warwick Economics Research Paper Series N. 740*. Retrieved from http://www.sciencedirect.com/science/article/pii/S0272775712000696

NUST student debt escalates to N$149 million. (2016, August 16). *New Era newspaper*. Retrieved from https://www.newera.com.na/2016/08/12/nust-student-debt-escalates-n149-million/

Nyahende, V. R. (2013a). The Influence of Students' Loans Borrowers' Characteristics on Default Rate in Tanzania. *Higher Education Studies*, *3*(4), 26.

Pascarella, E. T., & Terenzini, P. T. (1991).*How college affects students: Findings and insights from twenty years of research*. San Francisco: Jossey-Bass.

Podgursky, M., Ehlert, M., Monroe, R., Watson, D., &Wittstruck, J. (2002).Student loan defaults and enrollment persistence.*Journal of Student Financial Aid*, *32*(3), 27-42.

Rhode, H., & Menon, K. (2005). Funding Challenges for a South African University. *Contemporary Issues in Education*, 22(10), 159-168.

Saunders, M., Lewis, P., & Thornhill, A. (2015). *Research methods for business students.* (7thEd). Pearson Education Limited.

Seaberg, J.R. (1988). *Utilizing sampling procedures*. In Grinnel, R.M. (Ed.) social work research, 3rd ed. Itasca, IL: Peacock.

State Council for Higher Education for Virginia. (2010). *2010-11 Tuition and fees at Virginia state supported colleges and universities* (Publication No. SCHEV 2010-11 Tuition and Fee report). Retrieved from www.schev.edu/reportstats/2010-11TuitionAndFeesReport.pdf

Steiner, M. & Teszler, N. (2003). The characteristics Associated with of Student Loan Default at Texas A & M University. Retrieved from http://www.tgslc.org/pdf/tamu_default_study.pdf

Steiner, M., & Tym, C. (2005). Multivariate Analysis of Student Loan Defaulters at the University of South Florida. *TG (Texas Guaranteed Student Loan Corporation).* Retrieved from http://files.eric.ed.gov/fulltext/ED544416.pdf

Student Accounts Administrator Forum. (2010). *Best Practice for Student Accounts Administration in Educational Institutions*.

Student debt at UNAM stands at 255 million (2016, August 03). *Namibia Broadcasting Corporation*. Retrieved from https://www.nbc.na/student-debt

Tshabangu, I., Matakala, V., & Zulu, A. (2013). Equitable Access to Higher Education: Trends, Commodification and quality dimensions in Namibia. *International Journal of Education, 5*(1), 120.

UA stable tuition plan doesn't solve rising tuition problem. (2014, April 10). *Inside Tucson Business.* p.11. Retrieved from http://www.insidetucsonbusiness.com

University of Namibia. (2012). *Follow Review Long Outstanding Student Debt: Internal Audit Report.* Windhoek: University of Namibia

University of Namibia. (2012). Debtors policy in draft and not approved. Windhoek: University of Namibia

University of Namibia.(2014). *General Information and Regulation* [Prospectus]. Windhoek: University of Namibia

University of Namibia.(2016). *Student Fees Prospectus 2016* [Prospectus].Windhoek: University of Namibia

Van der Schee, B. (2007). *Customer Relationship Management in Higher Education: Simplifying Student Fee Administration*. Times Higher Education. Retrieved from http://www.timeshighereducation.co.uk/

Volkwein, J. F. (1995). Characteristics of Student Loan Defaulters among Different Racial and Ethnic Groups. *AIR 1995* Annual Forum Paper.

Volkwein, J. F., &Szelest, B. P. (1995). Individual and campus characteristics associated with student loan default. *Research in higher education*, *36*(1), 41-72.

Wangenge-Ouma, G. (2012), Public by Day, Private by Night: examining the private lives of Kenya's public universities. *European Journal of Education, 47(2),* 213–227. doi:10.1111/j.1465-3435.2012.01519.x

Yammeesri, J., & Khang, S-H. (2008). *Finance and Information System Perspectives on The Costs of Higher Education*. Retrieved from http://utcc2.utcc.ac.th/utccjournal/282/Jira%20Yammeesri,%20Ph.D,,%20Seung-Hwan%20Kang,%20Ph.D.pdf

Yan, Z. (2014). A Study on Receivables and Prepayments Account Management in College and University Accounting Systems. *Management Science andEngineering*.8(3), 61-64. doi: 10.3968/5163

Zikmund, W. G., Babin, B. J, Carr, J. C, & Griffin, M. (2012). *Business Research Methods*. (9th ed.). South-Western, U.S.A: Cengage Learning

Zinurova, R. I., Berman, S. S., Tuzikov, A. R., Gayazova, E. B., Stayzhkina, E. I., Medvedeva, V. R., & Frolova, I. A. (2016). The Management of Russian Universities on the Basis of International Education Quality Standards. *International Review of Management and Marketing*, *6*(2S).

APPENDIX 1: STUDENT QUESTIONNAIRE

Dear Respondent,

My name is Rosa M. Shilongo and I am a post graduate student at University of Namibia, Department of Accounting, Auditing and Taxation. I am conducting a research titled **An Investigation into Defaulted Student Account Receivables at University of Namibia**, in partial fulfillment for the degree Masters of Science in Accounting and Finance. The information collected is purely for academic purposes and will therefore not be used for any other purpose. It is important you answer all the questions as honestly as possible. Your answers to this questionnaire will be treated confidentially.

Participation in the project is voluntary and therefore you have the right to decline answering any questions, or terminate the interview without giving an explanation. Please email back the questionnaire to rosa_mr2@yahoo.co.uk.

Thank you very much for your time.

SECTION I: BACKGROUND INFORMATION

In the following questions, please mark the appropriate box with an X, circle it or write your answer in the spaces provided as requested.

1. Region of origin

Oshana	1	Zambezi	8
Omusati	2	Okavango West	9
Kunene	3	Oshikoto	10
Omaheke	4	Ohangwena	11
Khomas	5	!Karas	12
Erongo	6	Hardap	13
Otjozondjupa	7	Okavango East	14
		Other(Specify)_____	15

2. Place of origin

Village	1
Urban	2

3. Sex

Female	1
Male	2

4. Age

Younger than 20	1
21-30	2
31-40	3
41-50	4
51 and older	5

5. Marital status

Married	1
Single	2
Divorced	3
Widowed	4

6. How many dependents are in your families that are attending an educational institution?

One	1
Two to five	2
Six to nine	3
More than nine	4
None	5

7. Highest educational level for parents/guardian

Tertiary Education	1
Grade 12	2
Grade 10	3
No education	4
Other specify …… ……..	5

8. Last course enrolled for in 2012

9. Faculty you were enrolled in

Agriculture & Natural Resources	1	Education	7
Economics & Management Science	2	Engineering & IT	8
Humanities & Social Sciences	3	Law	9
School of Medicine	4	Science	10
School of Nursing & Public Health	5	Other Specify	11
School of Postgraduate	6		

10. Which year level were you enrolled for in 2012

Year 1	1
Year 2	2
Year 3	3
Year 4	4
Year 5	5

11. Mode of study in 2012

Part-time	1
Fulltime	2
Distance (Centre for External Studies)	3

12. Who was responsible to pay your fees (Financial Sponsor)

Namibia Student Financial Assistance Fund (NSFAF) Loan/Grant	1
Bursary	2
Yourself	3
Employer	4
Family (Parents/Gurdians/Spouse)	5
Other specify_____	

13. If it was a Bursary or Employer responsible to pay tour fees name the institution

	1

14. Was your course Cost Recovery (The aim for the university to recover full costs from the course i.e. Lecturer salary and all costs related to the courses)

Yes	1
No	2

15. Did you complete the course indicated in question 9

Yes	1
No	2

16. If you have completed the course, did you receive your degree of completion?

Yes	**1**
No	**2**

SECTION II: REASONS FOR DEFAULT OF STUDENT ACCOUNTS AT THE UNIVERSITY OF NAMIBIA

To what extent do you agree or disagree with the following reasons on why students might default?
(Please indicate by marking X or circle the answer in the box that best matches your views).

No	Reason	Agree	Neutral	Disagree
1.	Not informed about outstanding fees	1	2	3
2.	Financial assistance from sponsors not enough to cover tuition, fees, books and accommodation	1	2	3
3.	Increase in student fees result in students defaulting	1	2	3
4.	Students support & services (i.e easy access to see outstanding fees, and getting hold of finance enquiry officers) are not effective	1	2	3
5.	Tertiary education is too expensive	1	2	3
6.	Too much debt	1	2	3
7.	Spend money on luxuries(cigarettes, alcohol, expensive gadgets)	1	2	3
8.	Lack of knowledge about possible educational funding institutions in Namibia about acquiring funding	1	2	3
9.	Dissatisfaction with academic program enrolled	1	2	3
10.	Limited knowledge on payment arrangements/methods	1	2	3
11.	Inability to communicate outstanding fees to parents/sponsors	1	2	3
12.	Inability to manage financial resources	1	2	3
13.	Personal income is inadequate to keep up with payments	1	2	3
14.	Interference from personal problems	1	2	3
15.	Poor academic performers are dissatisfied with university experience decide to drop and not pay	1	2	3

16. List briefly below some other reasons that might attribute to students defaulting.

SECTION III: STRATEGIES TO IMPROVE COLLECTION OF STUDENT FEES.

Which of the following are required to prevent students defaulting (you can select more than one strategy)

No.	Strategy	Yes	No
1	Counseling students about outstanding fees lead to lower rates of default	1	2
2	Remind students/parents/sponsors by means of emails, phone calls, sms, phone calls, posters and student portal	1	2
3	Provide students/parents/sponsors with statements/invoices regularly and on time	1	2
4	Maintain a constant communication between students and UNAM	1	2
5	Reduce your spending on luxury items and pay tuition fees	1	2
6	Good financial planning	1	2
7	Learn about financial management	1	2
8.	Find ways to increase your income	1	2

9. Give additional comments or your opinion on how UNAM can improve collecting student fees

---

Thank you for your co-operation.

APPENDIX 2: UNAM STAFF QUESTIONNAIRE

Dear Respondent,

My name is Rosa M. Shilongo and I am a post graduate student at University of Namibia, Department of Accounting, Auditing and Taxation. I am conducting a research titled **An Investigation into Defaulted Student Account Receivables at University of Namibia**, in partial fulfillment for the degree Masters of Science in Accounting and Finance. The information collected is purely for academic purposes and will therefore not be used for any other purpose. It is important you answer all the questions as honestly as possible. Your answers to this questionnaire will be treated confidentially.

Participation in the project is voluntary and therefore you have the right to decline to answer questions, or terminate the interview without giving an explanation.

Thank you very much for your time.

SECTION I: BACKGROUND INFORMATION

In the following questions, please mark the appropriate box with an X, circle it or write your answer in the spaces provided as requested.

1. Age

<20	1
20-30	2
30-40	3
40-50	4
51 >	5

2. Gender

Female	1
Male	2

3. Position held

4. Years of experience in student account collections

0-4	1
5-9	2
10-14	3
15-19	4
Other Specify	5

SECTION II: REASONS FOR DEFAULT OF STUDENT ACCOUNTS AT THE UNIVERSITY OF NAMIBIA FOR THEIR FINANCIAL OBLIGATION

To what extent do you agree or disagree with the following reasons on why students default?

(Please indicate by marking X or circle the answer in the box that best matches your views).

No	REASON	Agree	Neutral	Disagree
1	Students are not informed about their outstanding fees	1	2	3
2	Financial assistance from Namibia Student Financial Assistance Fund (NSFAF), bursaries, loans is not enough to cover tuition, fees, books and accommodation	1	2	3
3	The increase in students fees does result in students defaulting	1	2	3
4	UNAM has not contacted the students	1	2	3
5	Students from poor backgrounds default than students from wealthier background	1	2	3
6	Management decisions contributes to an increase in higher outstanding fees	1	2	3
7	The university's bursar is not active in assisting students with financial concerns by introducing payment plan	1	2	3

8. Give reasons not mentioned above why you think student default and also other factors resulting in an increase of outstanding fees.

_____
_____
_____
_____
_____
_____
_____

SECTION III: STRATEGIES TO IMPROVE COLLECTION OF STUDENT FEES.

Which of the following are required to prevent students defaulting (you can select more than one strategy)

No.	Strategy	Yes	No
1	Frequently reminding students about the outstanding fees	1	2
2	Remind student/sponsors by means of emails, phone calls, sms, phone calls, posters and student portal	1	2
3	Send statements/invoices earlier	1	2
4	Students are not allowed to enrolment for the next academic year if they still have outstanding fees from prior years	1	2
5	Maintain a constant communication between students and UNAM	1	2
6	Bursar should actively assist students by arranging and recommending ideal repayment strategies	1	2
7	Establish proper collection mechanism and credit management policies	1	2
8	Manage student's debt by marketing and informing students about the settlement discounts, Family rebates.	1	2
9.	More scholarships should be awarded to mitigate default	1	2
10.	Counseling efforts by finance department staff are certainly appropriate	1	2
11.	Organise default awareness workshops for students especially during orientation	1	2
12.	Admit students with good academic record and continuing with studies	1	2

13. In your opinion, what could be done to solve the increasing default rate for student accounts receivable?

_____

_____

_____

_____

_____

Thank you for your co-operation!

APPENDIX 3: REQUEST FOR PERMISSION

Pro Vice-Chancellor, Academic Affairs and Research
Research and Publications Office
University of Namibia
Private Bag 13301, Windhoek

01 October 2014

SUBJECT: PERMISSION TO CONDUCT AN EDUCATIONAL RESEARCH STUDY AT UNIVERSITY OF NAMIBIA

Dear Sir,

I'm a Master of Science in Accounting and Finance student at the University of Namibia. I'm intending to conduct an educational research for my thesis in order to fulfill the requirements for the M.Sc. in Accounting and Finance Degree. The title of the study is "An Investigation into Defaulted Students Account Receivables at University of Namibia".

The study will be useful to University of Namibia Student Debtors Section, Credit Control Department as well as other educational institutions in Namibia. The findings from the research will contribute towards finding out reasons for default on student account receivables as well as strategies to improve collection of student account receivables.

The data collection will be done administering a questionnaire. I will personally administer the questionnaire to students last registered in 2012 and in default as well as to Student Debtors staff at University of Namibia.

Your permission to conduct the proposed research at University of Namibia is required and will be highly appreciated.

Yours Sincerely,

_____

Rosa M Shilongo

M.Sc. in Accounting & Finance student, Faculty of Economics and Management Sciences,
University of Namibia

Cell phone: 081 2859260 Email address: rosa_mr2@yahoo.co.uk

APPENDIX 4: ETHICAL CLEARANCE CERTIFICATE

File

PROCESSED

UNIVERSITY OF NAMIBIA

ETHICAL CLEARANCE CERTIFICATE

Ethical Clearance Reference Number: SEC/FEMS/64/2014 **Date: 23 October, 2014**

This Ethical Clearance Certificate is issued by the University of Namibia Research Ethics Committee (UREC) in accordance with the University of Namibia's **Research Ethics Policy and Guidelines. Ethical approval is given in** respect of undertakings contained in the Research Project outlined below. This Certificate is issued on the recommendations of the ethical evaluation done by the Faculty/Centre/Campus Research & Publications Committee sitting with the Postgraduate Studies Committee.

Title of Project: AN INVESTIGATION INTO DEFAULTED STUDENT ACCOUNT RECEIVABLES AT THE UNIVERSITY OF NAMIBIA

Nature/Level of Project: MASTERS

Principal Researcher: ROSA M. SHILONGO (Student No: 200327453)

Host Department & Faculty: Department Accounting , Faculty of Economics and Management Sciences.

Supervisor : PROF. H. Heino

Take note of the following:

(a) Any significant changes in the conditions or undertakings outlined in the approved Proposal must be communicated to the UREC. An application to make amendments may be necessary.

(b) Any breaches of ethical undertakings or practices that have an impact on ethical conduct of the research must be reported to the UREC.

(c) The Principal Researcher must report issues of ethical compliance to the UREC (through the Chairperson of the Faculty/Centre/Campus Research & Publications Committee) at the end of the Project or as may be requested by UREC.

(d) The UREC retains the right to:

(i). withdraw or amend this Ethical Clearance if any unethical practices (as outlined in the Research Ethics Policy) have been detected or suspected,

(ii). request for an ethical compliance report at any point during the course of the research.

UREC wishes you the best in your research.

Prof. I. Mapaure
UNAM Research Coordinator
ON BEHALF OF UREC

Ms Shilongo Collected a copy from the RPO

Signature: R M. Shilongo

4 Nov 2014