Assessment of Motivational Factors influencing Employer Contribution to the National Education and Technical Training Levy in the Gambia

by

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ABSTRACT

Reforms to Technical Vocational Education and Training (TVET) have been widespread in Sub-Saharan Africa (SSA) and have culminated in the creation of national training authorities, which are financially supported by various forms of employer based levy systems. Such levies have been reported to be problematic in most countries and the Gambia being no exception is currently engulfed in similar dilemma. The purpose of this study is to examine key motivational and de-motivating factors influencing employer contribution to the National Education and Technical Training Levy (NETTL) in the Gambia. A pilot study to test questionnaire item reliability coefficient using Cronbach's alpha (α) value was carried out. The reliability coefficient values for the standardized items of the motivational factors (independent variable), de-motivating factors (independent variable) and employer contribution dimensions (dependent variable) were 0.924, 0.827 and 0.766 respectively. Validity of the question items were ensured through item content review by an expert in the field. The research results are presented in descriptive and inferential statistics. Both One-way ANOVA and Linear Regression analysis (Stepwise) were used during the analytical stage. Amongst the key research findings include (a) prior consultation during levy policy development and levy put in closed account (only accessible for training use) would motivate limited liability businesses to contribute to the levy. (b) a levy that can ensure a secure and sustainable means of funding skills development, would encourage businesses to willingly contribute to the levy. (c) managing directors of businesses were de-motivated and thus not willing to contribute to the levy because they perceived that it was purely of interest to government. (d) limited liability businesses would be only motivated to voluntarily contribute to the levy if a levy exemption policy is put in place. (e) limited liability businesses showed greater concern on accountability and transparency of the levy system than the Others businesses.

Key words: skills training and development, national training authorities, training levies, private sector, public sector, employer contribution and motivational factors.

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CHAPTER I. INTRODUCTION

Chapter Overview

This chapter provides a general picture on TVET reforms in Sub-Saharan Africa (SSA) and the challenges posed by such reforms in most countries. This is followed by an assessment of the Gambia's policy development geared towards creating the enabling environment for TVET reforms. A brief account of the development and collapse of the National Education and Technical Training Levy is also provided.

The chapter then explores the objectives of the recently developed skills policy framework for the Gambia (NTA, 2006a) and the concerns outlined in the Consultancy Report (NTA, 2006b) following the launching of the policy document with a view to provide an overview of the current state of affairs in the Gambia. The chapter finally outlined the main questions of the research in relation to the motivational and de-motivating factors influencing employer contribution to the levy.

Backgrounds of the Study

Since the 1990's, SSA is witnessing an unprecedented era of change in reforms to Technical Vocational Education and Training (TVET). The momentum to change could be attributable largely to the apparent increase in unemployment and general poverty levels amongst most sub Saharan African countries (Human Development Index Ranking, 2007-2008).

It is often common to find in government strategic papers' citation on skills development as alternative solution to poverty alleviation (Gambia Poverty Reduction Strategy Paper: 2007-2011, 2006; Gambia Millennium Development Goals Report 2003; National Strategic Framework for Sustainable Development, 2002). Although it is strongly argued that reforms to skills development as a strategic tool are generally inherent with sustainability challenges.

Despite the challenges, reforms to skills development in SSA have been growing steadily over the last two decades and have culminated in the development of various forms of National Skills Qualifications Frameworks (NSQF). However, majority of such reforms failed to succeed as a result of lack of commitment from potential stakeholders in meeting their financial obligations.

Financing TVET deserves special attention in a global situation of shortages of public funds. Across a number of African countries, this new focus has resulted in the development of national training authorities (Johanson, 2001). The idea behind such authorities is that they represent the range of relevant stakeholders especially businesses and can move control of the training system out of the hands of the bureaucracy.

It is believed that such a move makes provision of TVET more responsive to the needs of employers; hence encourage greater employer involvement in training. While, in some of the countries undertaking TVET reforms like the Gambia; financing is secured through the introduction of a levy system. Other countries try to delegate cost intensive practical training to the private sector.

Reform's to TVET in the Gambia was conceived in the national strategic paper (Vision 2020, 1996). The overall orientation of "Vision 2020" is articulated in its mission statement and it states that:

> *"To transform The Gambia into a financial centre, a tourist paradise, a trading, export-oriented agricultural and manufacturing nation, thriving on free market policies and a vibrant private sector, sustained by a well-educated, trained, skilled, healthy, self-reliant and enterprising population and guaranteeing a well-balanced eco-system and a decent standard of living for one and all under a system of government based on the consent of the citizenry."*

It is apparent that skills development is indispensable if the Gambia is to attain its striving strategic plan, "Vision 2020". It is therefore important to review government's commitment to skills development with a view to assess the potential for attainment to this plan. In the "Vision 2020" strategic paper, a deliberate effort was made to outline the role of Education and Training under Human Resource Development (Part 1, section 4) as stated below:

> *"Since independence in 1965, national development policies have been default focused on the development of human resources in the white collar and peripheral services to the detriment of the areas of Science, Technology, Agriculture and Industry,*

particularly the Manufacturing sector. This focus has created a market failure, resulting in the importation of human capital, a dependence on expatriate manpower to manage the development of national productive resources with the result that no firm foundation has been laid over the past three decades to provide for sustainable development".

The paper went further by stating that:

"Consequently, a proper diagnosis of the skills needed to realize the objectives of Vision 2020 is called for prior to formulating a curriculum that will ensure a capable human resource base to attain the set objectives. Objectives for education include increasing the accessibility of education to 90 per cent of the school-age population, a diversification of institutions to favour vocational and skilled based training, encouraged of entrepreneurship as a corner-stone of education and an overall enrichment of curricula and extra curricula activities to favourably induce the skills-mix of the population towards a 21st Century setting".

Three (3) years shortly after the promulgation of this paper, a bill was enacted and approved by Cabinet in 2002 for the establishment of an institution responsible for the management and supervision of skills development in the Gambia, now called the National Training Authority (NTA). Initially, the NTA had a subvention from government to maintain its operating costs whilst the National Education Levy was being amended to cater for the financing of skills development.

The National Education and Technical Training Levy (NETTL) amendment bill was enacted in 2005. The levy was designed to collect 0.25% of annual turnover from businesses employing five (5) or more employees (Levy Amendment Bill, 2005). The NETTL Act was enforced in January 2007; however, it seized operations mid February as a result of an alleged private sector outcry.

It is evident that The Gambia's "Vision 2020" is committed to achieving its goals and objectives as clearly manifested in its Mission Statement and further buttressed by the long-term strategic plan for Human Resource Development. This commitment was further reiterated by government with the enactment of the NTA Act and the NETTL amendment Act to finance skills development in the Gambia.

The levy is the life line for sustainability of skills development in the Gambia. The skills development strategy with its multitude of programmes, developed in line with the Education Sector Wide Approach Programme (SWAP) and the Millennium Development Goals (MDG's) will be redundant in the absence of a secure and stable financing mechanism.

A national policy for the development of a system of national skills standards and qualifications for The Gambia, collectively known as the Gambia Skills Qualifications Framework (GSQF) was set out in 2006. This was supported by a four-man team of consultants recruited by the EU to support reforms to TVET in the Gambia. In November 2006, the GSQF was launched and became operational.

It is proclaimed in the GSQF that skills standards and qualifications developed under this policy document are contextualised on the needs and realities of The Gambia by being a simple and sustainable system amongst others (NTA, 2006a). Although, Allais (2007) has argued that in most Sub-Saharan African countries where TVET reforms have taken place; the resultant structures, procedures and systems face serious risk of collapsing, due mainly to sustainability challenges. This view was further buttressed in the EU Consultancy report (NTA, 2006b), noting their serious concerns about Gambia's ability to sustain the reform process, in particular to secure the necessary funding to lead skills improvement.

This grim picture for TVET in the Gambia was further highlighted in a recent World Bank consultancy report (Johanson, 2008). He indicated that in TVET with reasonable expenditures on inputs such as teaching materials, consumable supplies and equipment maintenance, the proportions are around 50:50 or 60 salaries to 40% non-salary inputs. He however, indicated that in the Gambia the proportions apparently are skewed to salary inputs, with a ratio of 86.3% to 13.7% in 2006.

Johanson (2008) further indicated that little capital investment has gone to TVET, as indicated with the fact that GTTI was unable to benefit under the World Bank-financed Third Education Project. In concluding, he noted that the investment gap for TVET in the Gambia is the highest of any level/type of education as the projected investment shortfalls were 55 percent for tertiary education, 83 percent to secondary education and 62 percent for basic education. Such imbalance requires urgent and immediate remedy from government if the role of skills development in "Vision 2020" is to be attained.

Purposes of the Study

It is against the above background that the study seeks to examine the factors influencing employer contribution to the levy. The study specifically would assess (1) the motivational and de-motivating factors and employer contribution dimensions based on the demographic dimensions. (2) the influence of the motivational and de-motivating factors on employer contribution to the levy. The results of the study would provide government and other key stakeholders with useful guidelines and suggestions during future levy Act review. The study will highlight the motivational and de-motivating factors most applicable to the Gambian businesses influencing their willingness to contribute to the levy.

Questions of the Study

There are five main questions to the study. The first three questions were designed to assess the independent and dependent variables based on the demographics dimensions. The fourth and fifth questions enquired on the influence motivational and de-motivating factors have on employer contribution dimensions.

1. Do motivational factors have any significant differences based on the demographic dimensions?
2. Do de-motivating factors have any significant difference based on the demographic dimensions?
3. Do employer contributions have any significant difference based on the demographic dimensions to the levy?
4. Do motivational factors influence employer contribution to the levy?
5. Do de-motivating factors influence employer contribution to the levy?

Significance of the Study

Skills development (TVET) typically as noted by McGrath (2000) has not been a fashionable area of study and that the bulk of researches done in SSA were funded by donors in the form of consultancies. From available literature there are very few attempts to assess the factors influencing employer contribution to a levy system through an empirical research process. It is hoped that the findings of the study will add on to the limited amount of empirical studies conducted in TVET in SSA.

The study provides tangible guidelines to the government of the Gambia in developing appropriate strategies to influence employer contribution to the levy. It also defines appropriate roles of key stakeholders in particular the private sector and provide a realistic and workable mechanism that would encourage employer contribution to the levy in view of the current economic situation. The study will also identify those motivational and de-motivating factors applicable to the Gambia influencing employer contribution to the levy.

Definitions of Terms

Gambia Skills Qualifications Framework (GSQF): an integrated system of nationally recognised qualifications and nationally endorsed skills standards for the recognition of technical and vocational skills, knowledge and competencies.

Qualifications Framework: can be regarded as a coherent structure of standards, levels, qualifications and processes, developed and maintained in a quality assured manner, with the aim of improving, regularising and localising the attainment of occupational skills. It is therefore an important tool in improving the national economy.

De-motivating Factors: major issues of concern to employers that would prevent them from contributing to the National Education and Technical Training Levy.

Employer Contribution: is the annual contribution made by businesses into the levy fund at the Gambia Revenue Authority.

Levy System: a mechanism instituted by law to collect funds from employers to support skills training and development programme.

Motivational Factors: major issues of concern to employers that would encourage them to contribute to the National Education and Technical Training Levy.

National Education and Technical Training Levy (NETTL): is a legislated instrument that requires all private companies employing five (5) or more employees to contribute 0.25% of their annual turnover to support skills training and development.

Pay-roll Levy: is a legal assessment against an employee's wage bill for contribution to a levy fund.

Turn-over Levy: is a legal assessment against a company's annual turnover as contribution to a levy fund.

Public Sector: is that portion of society controlled by national, state or provincial, and local governments.

Private Sector: part of national economy made up of, and resources owned by, private enterprises. It includes the personal sector (households) and corporate sector (firms), and is responsible for allocating most of the resources within an economy.

Delimitations and Limitations

The study received technical support from the National Training Authority to successful help administer the data collection process for the pilot study. A budget and staff were provided to the researcher for the administration of the data collection for both the pilot and field survey. This support was critical to the successful completion of the data collection process.

A poor response rate (23%) encountered during the pilot study was attributed largely to the composition of the Mapping Studies of Industries (MSI) database. The researcher acquired a second population group from the Gambia Revenue Authority. This population group comprised only of businesses that had contributed to the levy during the past three (3) years (2007 – 2009). This change of population group was anticipated to significantly increase the response rate, but did not take into account of the non-levy contributors whose reasons for not contributing to the levy could be very enlightening. Only the views of the private sector businesses contributing into the levy were included in the study.

A major limitation for this paper is the inability to generalise the findings from the research. Due to financial constraints, the study was only able to collect data from those businesses within the Banjul and Kombo St. Mary's Region. Contribution to the levy has financial implications on businesses and such implications vary as a result of the regional differences in economic activities (NTA, 2008). Banjul and Kombo St. Mary's are located in the hub of business activities in the Gambia and could be in a better position to contribute than those businesses in less economic active regions in the Gambia.

CHAPTER II. REVIEW OF THE LITERATURE

Chapter Overview

This chapter provides an in-depth review of pertinent issues affecting sustainability of TVET reforms in Sub Saharan Africa (SSA). It first highlights why TVET reforms are widespread in SSA. The study further evaluates stakeholder (public sector, private sector, donor agencies etc.) commitment to skills training and development in the region. Various views on stakeholder roles and responsibilities are provided and how those roles are being shifted from one stakeholder to the other within the last three decades.

Training authorities and training funds / levies are usually the by-products of TVET reforms. An in-depth assessment of the origins and objectives of these institutions and structures are outlined. An assessment of the sustainability challenges these structures faced are carefully discussed in detail.

Finally, the study reviews Ziderman's (2001) insightful contribution to this sector through a World Bank Consultancy. In that study, he outlined the critical success factors for a training levy / fund. These success factors are used in this research as the independent variables for the motivational and de-motivating factors.

Background to TVET Reforms in SSA

Charles (2006) observed that vocational education and training is a key policy tool which the pioneer Tigers realised and applied very early. Responding to emergent economic opportunities or social challenges, such as unemployment; required that a special place should be given to vocational education and training. For example, Taiwan responded by building more than 80 vocational schools. All of the Asian Tigers realised that a strong education system, especially at the lower level should be 'holistic and integrated' and should link formal and informal learning as a part of the national strategy for economic well-being.

Recently, reforms to TVET in most SSA countries came as a result of economic, social and political realities affecting our countries and peoples which include high unemployment rates, escalating rural and urban poverty, increasing HIV/Aids in communities etc. It is a generally held belief that investing in technical and vocational education and training contributes to the formation of human capital, which supposedly facilitates technological change and international competitiveness (UNEVOC, 1996). This might have motivated most governments to develop strategies targeted to improve skills development for self-employment and economic growth as in the case of the Gambia “Vision 2020”.

Green (1997) noted that in most high income western countries, the nation-state remains the main locus of decision making over areas of social policy, including education. However, in low income countries where the influence of multilateral and donor agencies has been increasing since the 1980’s through the mechanism of conditional lending (Tikly, 2001), decisions on policy issues has mainly been internationally directed.

At the second International Congress on Technical Vocational Education in Seoul, Korea in 1999, it was agreed that TVET must be the master key that can alleviate poverty, promote peace, conserve the environment, improve the quality of life for all and help achieve sustainable development. Bhuwanee, (2004) reporting on a study across four SSA countries (Ghana, Tanzania, Mauritius, and Zimbabwe) concluded that there is no doubt that TVET is one of the major keys to national development in the whole of SSA.

Skills Development

According to McGrath (2002), skills development has undergone a major shift in theory, practice and policy since the 1990, noting that there are two broad elements to this shift. First, the translation of ‘international best practice’ has brought about significant understandings for those involved in training in the SSA. Secondly, the training agenda in SSA has been dramatically changed at the same time by the direct and indirect impacts of new economic policies and trends affecting SSA.

Skills are now seen as an important part of education’s role in labour force/market preparation. This has resulted to the emphasis in problem-solving, communication, teamwork and other core skills. Even in technical areas there has been growing attention to the softer elements of design. According to Held et al. (1999), skills development has been identified as one of the few elements of public policy that can form part of a strategy for responding to globalisation. Greenhalgh (2001) highlighted that growth, trade performance and unemployment history can be improved by policies to promote skill acquisition. In the Gambia, there has been an attempt to structure technical vocational education and training under a skills qualifications framework as a direct response to labour force development and globalisation.

Factors Influencing Financing Schemes for Skills Development

National training systems and their financing systems are contingent of the historical and political development of every individual state. Therefore the appropriate mixture of instruments for financing skills development will not be the same at all times and all places. These mixtures of instruments are dependent of several factors including governance culture, political, cultural and economical circumstances. Below is a revisit to the six factors affecting the financing of skills development as outlined by UNEVOC in 1996:

The structure and the size of the economy

The extent to which the state can share the cost of training with other partners is directly linked to the structure of the economy. In a low-income economy, the potential benefits of the levy-based system (payroll levy) are limited due primarily to the impossibility of initiating an accumulation process unlike in middle-income and high-income states. This reality might have led to the initiation of an annual turnover levy in the Gambia. Although the percentage contribution imposed might have negative effect on businesses particularly during periods of economic meltdown. If a business is not making profits but rather experiencing losses, levying such a business on turnover could result to drastic circumstances.

The economic policy

The role of the State in the economy has an influence on financing policies. In many countries, financial diversification forms part of a broader response to an unprecedented fiscal crisis. Taxation becomes a sensitive issue in a process of economic liberalization, when resource allocation is increasingly meant to be driven by market signals. Currently in the Gambia, the use of levy-based financing system for skills development is being questioned as another form of taxation.

The maturity of social partners' involved in training

The performance of a given financing system will very much depend on the attitude of individuals and employers regarding training (UNEVOC, 1996). The reform of the financing system requires, as much as possible, a wide consensus between all of the partners involved: government, employers, workers, students, parents, public training institutions and the public at large. Making social partners aware of the associated incentives and the potential impact of training on labour productivity may call for intensive and long periods of consultation. Reforming the financing principles can also be part of a proactive long-term government strategy.

The state of relationships between the partners involved

It is obviously difficult to manage a training system under a highly conflicting situation. Such situations are hardly conducive to positive dialogue and are more likely to lead to hostile confrontation. Approach to this type of situations can be very tricky, but an extreme option according to UNEVOC (1996) will be to exclude certain parties from the governing body of the funds. The draw backs for excluding key partners could be very costly to the training system thus requiring a thorough examination. The lack of communication and consultation between providers and firms as highlighted by Bennett (2002) is a serious cause for concern in the Gambia.

Institutional capacity to enforce, manage and control the system

To ensure effectiveness, financial diversification policies must benefit from a strong institutional framework. This is especially the case for levy systems that require a reliable administrative machinery to ensure that tax recovery is effective. In the Gambia, the turnover levy is annually collected by the Gambia Revenue Authority (GRA), whose main mandate are to collect taxes and revenue for the government under the Department of State for Finance and Economic Affairs (DoSFEA). Until now, it is not known whether appropriate assessment instruments required to smoothen the assessment process are in place. However, a list of businesses contributing to the levy over the last three (3) years obtained from the GRA compared to other business databases (e.g. MSI 2008), showed a big gap between the two databases i.e. businesses that have not paid into the levy for one reason or the other over the last three years.

The objectives of the financing system

The objective can be either to raise funds for training or to change attitudes. In some cases, objectives go beyond the training issue to affect further dimensions, such as the choice of technology as in Singapore. There are basically two broad approaches to financing system namely: compulsory and incentive instruments. Compulsory instruments usually take the form of a payroll tax (annual turnover levy in the Gambia) whilst the incentive structures are based on a tax rebate (Mauritius) or training grant (Ivory Coast).

Also, training systems and their financing can be considered within a macro-economic and educational perspective. Financing training can be part of a public policy aimed at reducing investor's risks. It is notably the case in export-oriented countries operating with a long-term vision, such as Singapore or Mauritius. In such cases, training serves broader industrial policy goals involving, besides incentive instruments, substantial state financing to develop certain skills and establish powerful publicly financed training institutions.

It can also be initiated to reduce poverty and raise the social status of its citizenry by creating employment through the acquisition of employable skills. This is typically the situation in the Gambia and most other SSA countries. Calloids (1994) noted that the overall management and co-ordination of national training systems is quite varied, ranging from centralized planning to market-oriented regulation.

Financing Skills Development in Sub-Saharan Africa

As noted earlier, different countries in SSA undertaking reforms to TVET have taken different approaches to financing skills development. Generally the trend has been the establishment of payroll levy systems that are charged on employers at varying rates. Bhuwanee (2004) reported on the funding strategies of four SSA countries namely: Ghana; Zimbabwe; Tanzania and Mauritius.

Ghana without providing any specific way of providing funds to the TVET, suggests that government should show commitment by allocating adequate resources for TVET funding. It is further noted that all stakeholders including employers and beneficiary trainees are asked to contribute to the funding of TVET. Also there is the recognition that TVET in Ghana should be supported by the Ghana Education Trust Fund (GETFund) and that other sources should be explored to find sources for adequate funding for TVET.

Tanzania talks about the need to establish a unified funding mechanism and the concept of cost sharing whereby employers, trainees and others meet the cost as seen necessary (Bhuwanee, 2004). It was proposed that the source of funding be a unitary levy system.

The recommendation concerning funding of TVET in Zimbabwe is that the bulk of the funding for TVET should come from the government and the Zimbabwe Manpower Development Fund (ZIMDEF). Presently the ZIMDEF collects from companies 1% of their annual salary bill as levy to the ZIMDEF to support TVET programmes.

In Mauritius, the financing is based on the principle of partnership between the public and private sectors. Industry is one of the principle partners in the financing of training activities. Employers contribute a compulsory levy at a flat rate of 1% of the total basic salary of their employees though the overall responsibility for TVET has been the responsibility of government.

It can be seen from the above four countries as reported by Bhuwanee that financing TVET is generally prescribed by government for companies to finance, where possible little or nothing comes from government. Students, parents and sponsors share a large chunk of the training budget but this is generally hard to evaluate in real terms particularly for SSA countries struggling with very weak TVET and educational budgeting system (Penrose, 1993).

In the Gambia, the financing of skills development is mainly the responsibility of the private sector through compulsory contribution to the National Education and Technical Training Levy (NETTL). The levy was designed to collect 0.25% of annual turnover of companies employing five (5) or more employees. However, the NETTL was only operational for a period of less than 2 months and is now replaced with a tariff (band) system, prescribed by the government.

Other forms of funding recommended were a subvention from government and support from donors agencies. The government subvention to support skills development was removed once the levy was enforced. Since the beginning of reforms to TVET in the Gambia in 2006, there are yet not any donor agencies that have shown keen interest to support the continuation of such TVET reforms in the Gambia.

The UNESCO and ILO Recommendations of 2002 on financing of TVET for the Twenty-first Century stresses that TVET funding should be a shared responsibility between government, the private sector, voluntary organisations, and the students themselves. Generally, this has been the intentions for most countries but with increasing budgetary constraints and economic hardship, financing TVET usually end up in the hands of only a few and possibly the employers alone.

Public Sector Commitment to Skills Training and Development

Penrose (1993) highlighted that many attempts to undertake reforms have not succeeded because they have been limited to interventions in the education sector ministries and as a result, TVET must be considered as an integral part of the entire educational system for human resource development and not a separate entity from the general education system (Bhuwanee, 2004).

Lall (1989) insists that the state should not play a direct part in providing finance for training, but experience from Asian countries suggests that there is a case for the state doing so (Griffin and Knight, 1990). In the four country case study (Bhuwanee, 2004), it was generally agreed that governments must be committed by allocating adequate resources for TVET reforms, but should not be the sole provider. It is therefore apparent that reforms should take full account of the need to strengthen a potentially beneficial relationship between the state and other relevant stakeholders.

Private Sector Participation in Skills Training and Development

In SSA, reforms to TVET has witnessed a major paradigm shift, where the private sectors are encouraged by government to takeover skills development not only the financing aspect but as well as management of skills development as in the case of the Gambia (NTA, 2006a). However, from existing literature there is yet to be a major breakthrough for a successful private sector participation in the education and training in SSA. Although Johanson (2001) and Danida (2002) indicated that some systems (e.g. Mauritius) appear to be developing positively. There has been widespread criticism of the attempt to develop both training authorities and levies in Africa.

According to Emunemu (2008), private sector involvement in Nigeria is on a graduating scale from arms length donations, to partnerships with educational institutions right through to the active participation in the provision of educational services – for profit. He noted that all the activities along this scale can be enhanced to improve the quality and access to education and skills development opportunities.

Private sector participation in the education and training remains a major challenge for SSA, although financing mechanisms for TVET are mainly supported by the private sector through mainly levy systems (legislated and enforced by government), the formula for which varies from country to country. However, the private sector views the training levy as yet another form of tax (Johanson, 2001). In some countries, this perspective is exacerbated by highly bureaucratic and centralized levy management structures and systems. It is also reported that the private sector is apprehensive of the predominance of government control on the management and disbursement of the training levy (Durango, 2002).

Donor Support to Skills Training and Development

Since the start of development cooperation in the 1950s through to the 1980s, one of the most important elements of support to economic development was the promotion of skills development (McGrath, 2002). This was as a result of the fact that there was recognition of the need to develop a cadre of technically capable workers to support modernization and industrialization in SSA. Technical and vocational education and training (TVET) was an important element of development agency strategy during those periods.

The late 1990's has witnessed a shift in development agency support to skills development for developing countries. The major catalyst in the shift of approach was a 1996 report of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (McGrath, 2002). The report, "Shaping the Twenty-First Century" (OECD-DAC, 1996), sought to build on the series of world conferences of the early 1990s produced a priority list of International Development Targets (IDTs), which were claimed to have summarized the conclusions of those conferences.

Donor shift of approach to skills development is further worsen by the recent trend towards sector programmes and has resulted in development agencies and countries concentrating in fewer sectors in a few countries (e.g. Luxemburg concentrating in a few West African States and EU focusing mainly in governance and communication in the Gambia). This furthers the likelihood of skills development receiving reduced attention. According to (McGrath, 2002), skills development is by its nature cross-sectoral and this makes it harder to organize into sectoral programmes than education or health (WGICSD, 1999). Danida (2002) highlights the need for a skills development perspective to be included within all sectoral programmes.

Funding Strategy for TVET

The key to TVET success in SSA countries depends largely on the sustainability of the funding mechanisms that are put in place. In most countries, there is no adequate strategic planning to facilitate the transparent definition and prioritization of areas for funding (Durango, 2002).

Funding TVET is more expensive than general academic education due to cost of equipment, tools and consumables required for practical skills training. Presently the state of training facilities in the SSA and in particular the Gambia (NTA, 2006c) is highly undesirable and requires huge investment capital to rehabilitate and establish additional training institutions. The inadequacy of government and local funding to meet the demands of TVET capital investment means that external funding will be highly desirable to support TVET investment (Durango, 2002) on infrastructure, equipment and human resources.

In the Gambia, the main public TVET institution, the Gambia Technical Training Institute (GTTI) suffers from under investment (Johanson, 2008). Currently, there is acute lack of teaching equipment and materials. This is evident by the presence of World Bank donated items as far back as when the institution was established in early 1980's. Workshops are literally empty with no basic teaching aids and materials.

The GTTI is located close to the capital city Banjul and is currently the only public TVET centre in the Gambia. Without hesitation, the need to build additional training centres along the length and breadth of the country cannot be overemphasised. It is therefore important that a solid strategic framework for sustainable complimentary funding mechanisms be device and agreed to by all stakeholders. The recent ICDF Funding Agreement (2008) to finance the establishment of a TVET skills centre in a rural setting is indeed a viable investment for the Gambia.

Training Authorities

To respond to the developing skills needs of the economy and to be in a position to be proactive, rather than just responsive, in relation to ongoing technological and industrial change, public training systems need a greater degree of independence than is forthcoming from line ministries (Ziderman, 2001). So where institutionally possible, fully fledged, autonomous national training authorities to be established charged with the central role of assuming responsibility for national skills development. Currently there are well over 30 countries in SSA implementing reforms to TVET and majority of which have established training authorities mandated in various forms to be responsible for skills development. The NTA is semi-autonomous and decisions have recently been influenced by the parent department of state for higher education. This trend is worrying if the NTA is to achieve the level of autonomy required to execute its activities. The NTA must endeavour to work more closely with its board rather than with the parent department of state.

Training Levies / Funds

Most cases National Training Agencies/Authorities are financed, fully or partially, through a training payroll levy imposed on firms. According to Ziderman (2001), the origins of training funds may be traced back to the development of earmarked training levies. The earliest forms of training levies – assessed on the total payroll of enterprises – were developed in a number of Latin American countries (the Brazilian experience), as an integral part of the working of employer - based national training boards.

Herschbach (1990) stated that the characteristics of individual training agencies (funds) vary so greatly that it is difficult to generalize about them. Training funds have since been developed in over thirty (30) SSA countries (Ziderman, 2001) although their objectives and range of activities vary widely from country to country.

An important objective of establishing national training funds (particularly when financed by company training levies) is to provide sustained and stable funding for the training programs they support. Ziderman (2001) indicated that in practice this has not always been achieved, notably when funds do not receive the resources that have been designated to finance its activities; noting that training levy proceeds, designated for the training fund, may be absorbed instead into general government revenues.

Durango (2002) emphasised that training levy funds based on levies imposed on the private sector should be dedicated to the training of employed workers. The levy should focus on the skills training and upgrading of workers to meet the specific needs of industry. He further noted that the levy should be used for the direct transfer of skills not for "brick and mortar" issues.

A national training fund may be seen as a unique institutional framework for unifying and augmenting public sources of funding for training and for allocating funds in line with national policies and priorities. According to Ziderman (2001), levy proceeds are regarded, in practice, as general tax revenues and not passed on to the fund. This was the case in the Gambia prior to the establishment of the National Training Authority.

Ziderman (2001) noted that a major advantage of levy-grant systems is that they do not draw on public funds, a point of some importance in time of parsimonious government budgets; in addition they can lead to more systematic, structured enterprise training. However on the other hand they may result in between-firm inequities if there is no close relationship between the burden of the levy and the benefits received.

Funding Diversification

In many SSA countries, government plays a dominant role in both the financing and provision of training. General constraints in national budgets have exerted their toll on the quality and effectiveness of public training. According to Ziderman (2001) these increasing pressures on government budgets provide an opening for the diversification funding for training. However, this notion should be taken with caution; otherwise it might result to lethargy from most governments thereby passing over financing burdens to other stakeholders as in the case of the Gambia.

As noted by Ziderman (2001), appropriate role of government in training finance and provision requires a country to determine its individual needs for public sector training intervention. Public sector training needs assessment will likely direct government to remain a central and continuing role for the state in most countries in the delivery and financing of training. Durango (2002) and Bhuwanee (2004) argued that as funding for TVET is an investment, it must be shared among government, industry, the community and the learner, with the involvement and contribution of volunteers and NGO's.

Training Fund / Levy Management

Most training funds are managed by a governing board. Board representation is usually tripartite (government, unions and employers) and frequently divided equally between the three main stakeholders. In the Gambia, there are no union representatives but rather business sector representatives, with a one-third representation. The remaining membership are government and training institution representative.

Ziderman (2001) highlighted that participation of main stakeholders (especially employers) in national training policy formation and management has an important role to play in building consensus on training issues; this may be particularly important where enterprise training levies are in place. In cases where company contribution forms a substantial or entire part of the training fund income, it might be both appropriate and politic that employers should feel they have some control on the uses to which the levies are put (Ziderman, 2001).

Social Responsibility (Disadvantaged Groups)

There is an increasing social awareness (and conscience) concerning the low current status and skills needs of special groups, such as the poor, ethnic minorities and women. According to Ziderman (2001), in parallel, there is wide acceptance of the view that the government has an obligation to assist in this field, through financing and perhaps provision of special programs, aimed particularly at securing entry into the informal sector.

Conditions for Training Fund Success

According to Ziderman (2001), successful outcomes are unlikely to be forthcoming unless six key conditions are satisfied.

a. Security of income to the fund – assure adequate levels, stability and sustainability of training fund incomes.
b. Fund management autonomy – ensure decision making autonomy of management board and its control over budget allocations.
c. Stakeholder ownership – substantial representation of the major stakeholders on management board, engendering a sense of ownership – particularly of employer groups where training levies are in place.
d. Avoid role of training provider – training centres' run by a training fund tend to receive high subsidies and preferential treatment; this distorts training markets and militates against moves towards an open, competitive training system.
e. Transparency of fund management decision making – decision-making to be open and in particular, the basis for fund allocation to be known and understood.

Levy Scheme Design and Implementation

Ziderman (2001) highlighted that the success record of training levies in SSA countries appears to be less than in other regions. He further noted that particular attention will need to be accorded to levy scheme design and implementation in order to secure the benefits of payroll levies while avoiding some of the weakness that have been evident in the SSA context, which includes:

a. Levy rate – levy rates to be subject by law to periodic review to avoid the accumulation of surpluses.
b. National or sectoral levy rates – a standard, national payroll levy rate will be most appropriate for most SSA country situations.
c. Sectoral coverage – levy coverage should be as wide as possible across public economic sectors and to include enterprises.

d. Company size – very small firms should be exempt from levy payment, on both efficiency and equity grounds.
e. Levy collection – levy collection should be placed in the hands of effective agents; self-collection by funding organisation should be avoided.
f. Security of levy proceeds – special attention should be given to guarding levy revenues from raiding by the government by placing in special, closed accounts.
g. Employers buy-in – employers should be involved in levy policy formulation and execution.
h. Premature introduction payroll levies – payroll levies may be inappropriate where levy income generating capacity is weak – either because of the limited size of the formal sector or administrative/organisational difficulties of levy collection.

Governance and Control

The efficacy of a training fund may depend to a large extend on the framework of governance and control within which it functions. Most training funds are statutory, quasi-autonomous bodies; they usually operate under the general umbrella of labour ministries and, more immediately, of a board with some degree of stakeholder representation (Ziderman, 2001).

In the Gambia, the training fund is within the purview of the NTA (which is semi-autonomous and under the department of state for higher education) with a marginal majority management board membership from the private sector. Governance and control of the training fund should solely be the responsibility of the management board thus ensuring disbursement policies and decisions that are linked to market needs.

However, the level of government control (and the extent of board autonomy) is not necessarily linked with a greater or lesser degree of training fund effectiveness; the central is how, and for what purposes, control is used (Herschbach, 1990). Bhuwanee (2004) stressed that a transparent disbursement to support priority areas in accordance with the pre-determined strategic focus should be indicated.

Training Fund Sustainability

According to Ziderman (2001), an important objective of establishing national training fund is to provide sustained and stable funding for the training programs they support. In the Gambia this has been a major challenge since the enactment of the NETTL in 2005. The enforcement of the levy Act only lasted for less than two months beginning 2007, after being delayed for a year due to operationalisation difficulties at the Commissioner of Tax Office, who was mandated by the NETTL Act for the collection process.

Currently, the sustainability of not only the skills training fund but the overall national skills development and training system, which mainly relies on the NETTL for funding is at stake due to stakeholder rejection in contributing to the levy. According to Ziderman (2001), a shortfall of funding may arise for many reasons but of particular note are the following:

a. Training levy proceeds absorbed into general government revenue – reasons for this are numerous but one major reason is continuing financial crisis the country faces and the lack of full endorsement by fiscal authorities on the concept of earmarking levy revenues for training.
b. Failure of financing bodies to meet their funding obligations – donors, government and the private sector could all be victims of this process. In the Gambia, the government ceased provision of the subvention immediately the levy was made operational. The allocated budget support to the NTA by the European Commission following Reforms to TVET, are not forth coming since when the EC project was implemented.
c. Technical difficulties of levy collection – this constitutes a potentially serious problem in many SSA countries and the Gambia being no exception has been seriously constrained by this factor. The NETTL Act was approved by Parliament in November 2005; which coincided with the transformation of the Income Tax Department, mandated by the NETTL Act for the collection of the levy, to the newly established Gambia Revenue Authority (GRA). During the transition period several meetings were held with management for commencement of collection in 2006. However to alleged technical and administrative constraints, collection was postponed to the following year (2007), which resulted to an entire year's revenue lost for skills development in the Gambia.
d. External donor funded training faces sustainability crisis over the long term – this problem of fund sustainability is endemic in those SSA countries where public budgets are severely

constrained over the medium term and where the time is not ripe for the introduction of training levies. According to Ziderman (2001), over generous external support for national training funds, without planned, complementary development of domestic funding, will result ultimately in moribund training authorities and empty coffers.

Summary of Literature Review

Although, there is general recognition in both government and research circles that skills development is an alternative solution to poverty alleviation in developing countries particularly SSA, there is widespread disparity in perception as to how and who should finance skills training and development.

From one extreme end of the spectrum, there are researchers who believed that governments should be committed to financing skills development as in the Asia Pacific rim. Whilst those on the other end of the spectrum called for a full private sector led skills development. This view is particularly supported by governments and the donor agencies. Mid-way are those calling for an all-inclusive financing strategy involving public sector, private sector, donors, NGO's, the communities and learners.

It is however evident that government, the private sector and donor agencies are all shying away from financing skills development in the SSA. Arguably, the immediate beneficiaries to skills training are employers in industry and should therefore take a lead in financing skills development. It would however be short-sighted not to acknowledge the fact that governments will be at a greater advantage both politically, socially and economically if skills training can bring about the much needed economic and social changes that are expected.

Ziderman (2001) has indicated critical success factors that could lead to private sector commitment to levy systems. However, due to the nature of governments in SSA countries, there is not yet any country that is able to attain to all those critical factors thus the current resentment by employers in the Gambia to levy system. This study adopts Ziderman's key critical success factors as the independent (motivational and de-motivating) variables of the research in assessing employers' willingness to contribute to the levy.

It is apparent that reforms should take full account of the need to strengthen a potentially beneficial relationship between the state and other relevant stakeholders. The challenge for most

SSA governments is the ability to dialogue with employers and avoid being seen as regulators and policy makers. There are strong indicators that employers might consider financing skills development, provided that governments are prepared to implement some of the important critical success factors identified by Ziderman.

The current developments in the field of skills development in SSA seem promising, it must however be reiterated that both government and the private sector need to work hand-in-glove to overcome some of the challenges outlined above. It is against this background that the paper recommends a broad base stakeholder financing of skills development, inclusive of the public sector, private sector, donors, NGO's, the communities and learners.

CHAPTER III. METHODOLOGY

Chapter Overview

This chapter embodies the research framework, hypothesis testing, methods of data collection, instrumentation, population and sampling criteria, and data analysis and research procedure. The chapter depicts a pictorial diagram of the research framework and shows the interface between the predictor variables (independent), explanatory variables (dependent) and the demographic dimensions. There are five main questions for the research, which enquire on the motivational and de-motivating factors influencing employer contribution to the levy. Each question is tested by a null hypothesis.

The chapter provides an account of the data collection process for both the pilot study and the field study. The sample for both the pilot study and field study distributed amongst the participating population are laid out in tabular form. This is followed by an explanation of the instruments used in the research, which are mainly the questionnaires, the validity and reliability testing process and the tools used for each process.

Research Framework

The research framework was developed to feature the research questions and hypotheses. The motivational and de-motivating factors influencing employer contribution to the levy (Figure 3.1.) were used as the predictor (independent) variables for this study. These factors were identified as critical elements influencing employer contribution to a levy system in previous studies (Ziderman, 2001).

The explanatory (dependent) variable for the research explained employer contribution to levy and was measured using four dimensions: *business voluntary contribution; business anticipation in fulfilling their obligations; business has no corporate social responsibility and all inclusive contribution to the levy*. Since the questionnaire was developed by the researcher, a reliability of the dimensions was tested for consistency. Data collected for the dimensions in this variable were tested against the demographic dimensions and the independent variables. As outlined earlier, the objective of the research was to assess the motivational and de-motivating factors (independent variables) influencing employer contribution to the levy (dependent variable).

Pilot study

The sample population for the pilot study was classified into four main economic sectors namely: Private, Public, Donors and Training Institutions. The private sector category was further divided into five sub-sectors (tourism, manufacturing, construction, services and others). The rationale behind this structure was to get an in-depth assessment of willingness to contribute to the levy between and within the different sectors and sub-sectors (private) of the economy relative to the independent variables.

However, due to the low response rate in the pilot study (23%), the research framework was revised to reflect the available data. The Services sector accounted for half of the overall data collected, thus the need to modify the demographics dimensions to only two sectors: Services and Others. The Others sector in this modification included the construction industry, manufacturing, tourism, donor agencies and government.

Field study

As a result of the low response rate encountered during the pilot study, the researcher had to modify the research framework to overcome those challenges. Several factors were found to be responsible for the low response rate but most significant was the use of the MSI database. Majority of businesses that participated in the pilot study had not contributed to the levy and were not aware of the existence of the levy and the related issues. It was therefore necessary to select a sample population with only businesses that had contributed to the levy. A list of all levy contributors within the last three (3) years was acquired from the Gambia Revenue Authority (GRA), the levy fund collectors.

As highlighted earlier, previous studies showed that there are motivational and de-motivating factors responsible for employer contribution to a levy system. In developing the research framework, twelve (12) motivational factors and five (5) de-motivating were adopted from the work of Ziderman (2001). The researcher also identified eight (8) demographic dimensions characterising businesses in the Gambia (Figure 3.1.).

The rationale behind this approach was to evaluate the motivational, de-motivating and employer contribution factors based on the demographic dimensions of the study. This was followed by analysis of the motivational and de-motivating factors influence on employer contribution to the levy.

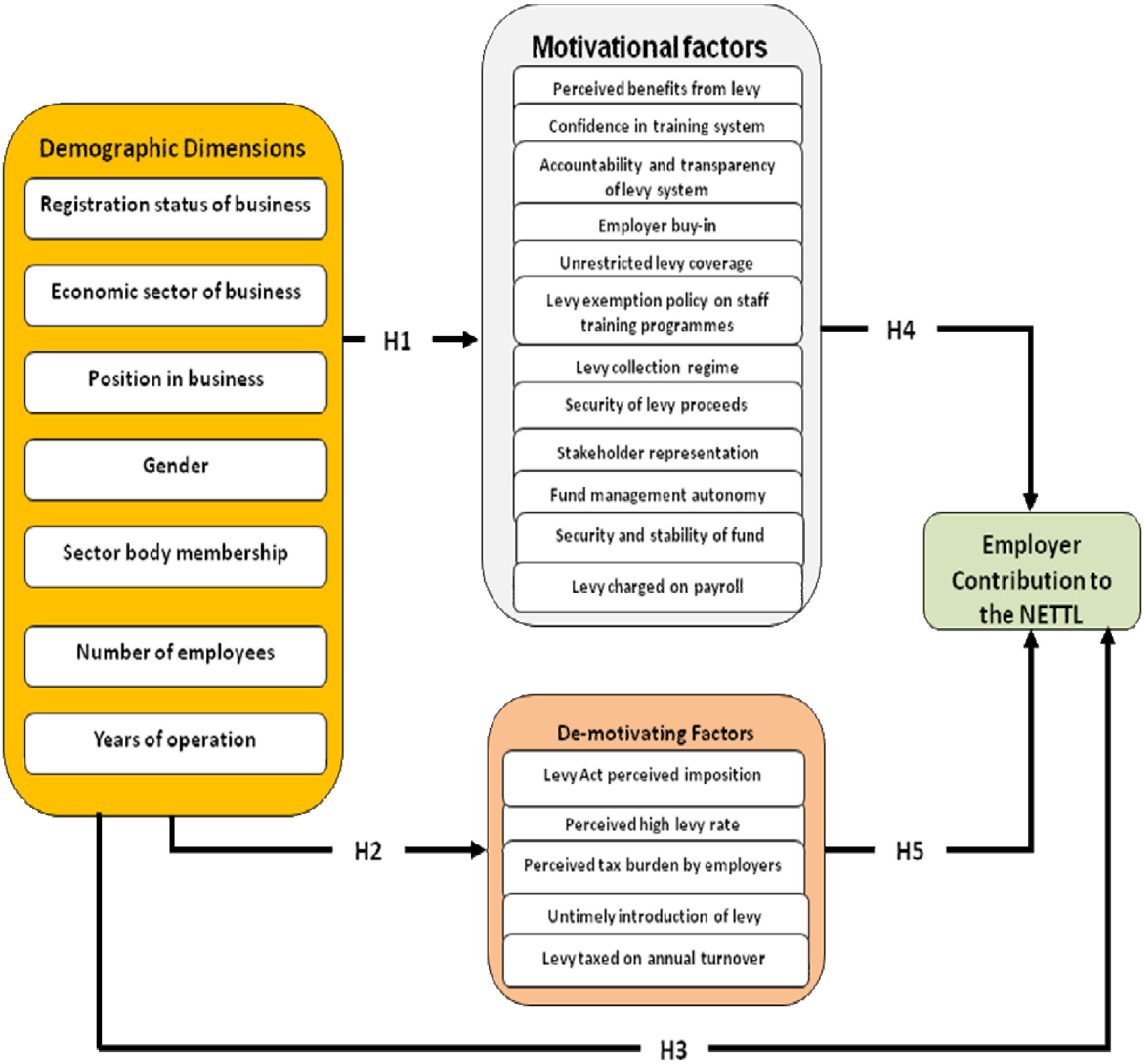

Figure 3.1. *Research framework*

Research Variables and Dimensions

In order to assess the motivational and de-motivating factors influencing employer contribution to the levy, two dimensions were developed for each of the variables and were rated from strongly disagree to strongly agree on a 5-point Likert Scale. Table 3.1. and Table 3.2. provides a detailed description of the motivational and de-motivating variables and their dimensions. The four dimensions measuring employer contribution to the levy are also provided in Table 3.3 below.

Table 3.1. *List of motivational factors variables and dimensions*

No.	Predictor Variable		Predictor variable dimensions (factors)
1	Perceived benefits from levy	1	Easy access to the skills training fund will give more encouragement to your business to contribute to the levy.
		2	Subsidizing your staff training needs through the skills training and development fund will encourage your business to contribute to the levy.
2	Confidence in training system	3	A national skills training system that provides adequate supply of properly trained workers for industry will encourage your business to contribute to the levy.
		4	A national skills training system that caters for both the formal and informal sector will encourage your business to contribute to the levy.
3	Accountability and Transparency of levy system	5	An open decision making process for the allocation and use of levy funds will encourage your business to contribute to the levy.
		6	A feedback on fund allocation that is well documented and understood by all stakeholders will encourage your business to contribute to the levy.
4	Employer buy-in	7	Prior consultation with companies during levy policy development will encourage your business to contribute to the levy.
		8	Employer sector body support on levy rate reduction will encourage your business to contribute to the levy.
5	Unrestricted levy coverage	9	A levy that also covers public institutions will encourage your business to contribute to the levy.
		10	A levy that also covers NGO’s will encourage your business to contribute to the levy.

(*table continues*)

Table 3.1. *(continued)*

No.	Predictor Variable		Predictor variable dimensions (factors)
6	Levy exemption policy	11	Levy exemption policy based on successful implementation of your businesses' annual staff training program will be preferred by your business.
		12	Your business prefers to contribute to the levy than conducting annual staff training programs.
7	Levy collection regime	13	A tight levy collection process which does not allow employers to evade contribution will encourage your business to contribute to the levy.
		14	Because a lot of businesses can evade contribution to the levy, your business does not want to contribute to the levy.
8	Security of levy proceeds	15	If the levy is put in closed accounts and is only accessible for training use, this will encourage your business to contribute to the levy.
		16	Part of the levy is accessible to government for use in other activities different from skills training; this discourages your business to contribute to the levy.
9	Stakeholder representation	17	A majority voting right for employers' representatives in the management board of the National Training Authority will encourage your business to contribute to the levy.
		18	A majority voting right for employers' representatives in the skills training fund will encourage your business to contribute to the levy.
10	Fund management autonomy	19	Greater decision making autonomy by employers on levy budgetary allocations at NTA board management level will encourage your business to contribute to the levy.
		20	Employers' ability to control skills training budget at NTA management board level will encourage your business to contribute to the levy.
11	Security and stability of funds	21	The levy system ensures a secure and sustainable means of funding for skills development and will encourage your business to contribute to the levy.
		22	The levy system ensures stability for skills training and development and will encourage your businesses' to contribute to the levy.
12	Levy charged on payroll	23	A training levy charged on employers payroll bill is fairer than a levy charged on business annual turnover and will encourage your business to contribute to the levy.
		24	A levy charged at 2% of employer's total payroll bill will encourage your business to contribute to the levy.

Table 3.2. *List of de-motivating factors variables and dimensions*

No.	Predictor Variable		Predictor variable dimensions (factors)
1	Levy Act perceived imposition	1	The levy contribution has been imposed on your business as a way to ensure that you contribute to national skills training.
		2	The levy contribution is purely to the interest of government and not your business.
2	Perceived high levy rate	3	If your business were consulted the levy would not have been charged on annual turnover.
		4	The levy rate charged at 0.25% of annual turnover is too high for your business to afford.
3	Perceived tax burden by employers	5	The levy is purely another form of tax for your business to finance skills development.
		6	Your business is already overburdened with tax payment; bringing in another tax payment only adds more burdens to your business.
4	Untimely introduction of levy	7	The introduction of the Education Levy in 2007 came at a time when there was an economic slowdown for your business.
		8	The Education Levy was introduced in 2007 when your business environment was reasonably good.
5	Levy taxed on annual turnover	9	A levy charged on annual turnover is unrealistic and unjustified; there is no correlation between training and your business turnover.
		10	The levy charged on annual turnover will only lead your business to bankruptcy when profit margins are low.

Table 3.3. *List of employer contribution dimensions*

No.	Dependent Variable Dimensions
1	Your business will voluntarily contribute to levy even if payment was not made compulsory.
2	Your business never anticipated in fulfilling its obligations to contribute to the levy when payments are due.
3	Your business does not have any corporate social responsibility to the citizenry and therefore should not pay for national skills training and development
4	Government, employers and NGO's should all contribute to the financing of national skills training and development.

Research Hypotheses

Although employer contribution to the National Education and Technical Training Levy is mandatory, there could be situations where employers might avoid payment or pay less than required if loopholes are present in the system. Therefore, to ensure optimal contribution to the levy, it is crucial that employers are in full support of the levy system and thus pay willingly the amounts due without forceful enforcement. To assess employer contribution to the levy, it is vital to develop hypotheses that will help test factors influencing employer contribution. From the research framework, five (5) different hypotheses are developed ready to test factors influencing employer contribution to the levy.

Hypothesis 1:

H_1: There are no significant differences on motivational factors based on the demographic factors.

$H_{1\text{-}1}$: Motivational factors have no significant difference based on registration status of business.

$H_{1\text{-}2}$: Motivational factors have no significant difference based on economic sector of business.

$H_{1\text{-}3}$: Motivational factors have no significant difference based on position in business.

$H_{1\text{-}4}$: Motivational factors have no significant difference based on gender.

$H_{1\text{-}5}$: Motivational factors have no significant difference based on sector body membership.

$H_{1\text{-}6}$: Motivational factors have no significant difference based on years of sector body membership.

$H_{1\text{-}7}$: Motivational factors have no significant difference based on number of employees.

$H_{1\text{-}8}$: Motivational factors have no significant difference based on years of operation.

Hypothesis 2:

H_2 There are no significant differences on de-motivating factors based on the demographic factors.

$H_{2\text{-}1}$: De-motivating factors have no significant difference based on registration status of business.

$H_{2\text{-}2}$: De-motivating factors have no significant difference based on economic sector of business.

$H_{2\text{-}3}$: De-motivating factors have no significant difference based on position in business.

$H_{2\text{-}4}$: De-motivating factors have no significant difference on gender.

$H_{2\text{-}5}$: De-motivating factors have no significant difference on sector body membership.

$H_{2\text{-}6}$: De-motivating factors have no significant difference on years of sector body membership.

$H_{2\text{-}7}$: De-motivating factors have no significant difference on number of employees.

$H_{2\text{-}8}$: De-motivating factors have no significant difference on years of operation.

Hypothesis 3:

H_3: There are no significant differences on employer contribution dimensions based on the demographic factors.

$H_{3\text{-}1}$: Employer contribution dimensions have no significant difference based on registration status of business.

$H_{3\text{-}2}$: Employer contribution dimensions have no significant difference based on economic sector of business.

$H_{3\text{-}3}$: Employer contribution dimensions have no significant difference based on position in business.

$H_{3\text{-}4}$: Employer contribution dimensions have no significant difference on gender.

$H_{3\text{-}5}$: Employer contribution dimensions have no significant difference on sector body membership.

$H_{3\text{-}6}$: Employer contribution dimensions have no significant difference on years of sector body membership.

$H_{3\text{-}7}$: Employer contribution dimensions have no significant difference on number of employees.

$H_{3\text{-}8}$: Employer contribution dimensions have no significant difference on years of operation.

Hypothesis 4:

H_4: Motivational factors do not influence employer contribution to the levy

$H_{4\text{-}1}$: Motivational factors do not influence business voluntary contribution to the levy.

$H_{4\text{-}2}$: Motivational factors do not influence business anticipation in fulfilling their obligations to levy contribution.

$H_{4\text{-}3}$: Motivational factors do not influence businesses with no corporate social responsibility to their citizenry.

$H_{4\text{-}4}$: Motivational factors do not influence an all inclusive contribution to the financing of skills training.

Hypothesis 5:

H_5: De-motivating factors do not influence employer contribution to the levy

$H_{5\text{-}1}$: De-motivating factors do not influence business voluntary contribution to the levy.

$H_{5\text{-}2}$: De-motivating factors do not influence business anticipation in fulfilling their obligations.

$H_{5\text{-}3}$: De-motivating factors do not influence businesses with no corporate social responsibility to their citizenry.

$H_{5\text{-}4}$: De-motivating factors do not influence an all inclusive contribution to the financing of skills training.

Methods of Data Collection

Pilot study

The categorization of the sample population by sector (Table 3.4.) below was intended to provide a better understanding of employers' motives in contributing to the levy across sectors of the Gambian economy. The data collection strategy was in response to the sample population categorization. This was thought to provide an opportunity to evaluate the factors that are most pre-dominant in each sector. The sub-sectors within the private sector were designed to provide a deeper understanding of the economic sector as they are the sole contributors to the levy.

Table 3.4. *Distribution of the sample population by sector*

Sample Population	Private sector					Public Sector	Donor Agencies	Training. Institutions.	Total Sample size
	Tourism	Manuf.	Const.	Service	Others				
Pilot Study	**20**	**20**	**20**	**20**	**20**	**5**	**5**	**10**	**120**

Large companies are likely to contribute larger proportions to the levy due to their large turnover and are likely to form majority of the non-responses due to company size. Table 3.5. was designed to cater for this foreseeable problem. As outlined, large businesses formed the majority proportion (75%) of the sample size in the case of the private sector. It was anticipated that this would potentially increase the responses of the larger businesses.

Table 3.5. *Stratification and allocation of sample population for the Private Sector*

Survey Type	Private sector										Total Sample Size
	Tourism		Manuf.		Const.		Service		Others		
% sample allocation	Small Business (25%)	Large Business (75%)	Small Business (25%)	Large Business (75%)	Small Business (25%)	Large Business (75%)	Small Business (25%)	Large Business (75%)	Small Business (25%)	Large Business (75%)	
Pilot Study	**5**	**15**	**5**	**15**	**5**	**15**	**5**	**15**	**5**	**15**	**100**

Field study

As stated earlier, there was need to review and revise the method of data collection for the field study in order to improve the low response rate (23%) encountered during the pilot study. The field study therefore included only private sector businesses that contributed to the levy between 2007 and 2009. The other consideration for the selection of the sample population was primarily proximity; those businesses within the Banjul and Kombo St. Mary regions. Instead of focusing centrally on business economic sector as in the pilot study, the field study included several more demographic dimensions for the research framework.

To increase the response rate, it was decided that the questionnaires be administered in the form of structured close-ended interviews by surveyors recruited by the NTA, who supported the study. However, during the process it was realized that majority of the respondents preferred to answer the questionnaires by themselves and later submitted to or collected by the surveyors. At the end of the data collection process, there were 62 completed questionnaires, which represented a response rate of 49%.

Instrumentation

Pilot Study

The pilot data was collected using a self-administered closed structured questionnaire. A two-man team recruited by the National Training Authority (NTA) in the Gambia administered the questionnaire. The team were supervised by the Head of the Research Unit at the NTA. The questionnaires were hand delivered to the participants and were accompanied with a covering letter stating the purpose, confidentiality and agreed collection dates. The team made several follow-ups including telephone calls and personal visits.

Field study

The data collection went through the same process as in the pilot study. Copy of the research questionnaire and covering letter are provided in Appendix A and B respectively. Some of the questionnaires were administered by the surveyor in the form of a structured close-ended interview for those respondents who accepted that mode of data collection.

The questionnaire has a 5-point Likert Scale anchored by '1= strongly disagree' to '5= strongly agree'. The questionnaire has four (4) main parts namely:

Part A (8 dimensions), dealt with the demographic data of the respondents. This section recorded the registration status of the business, the economic sector, the respondent's position in the business, the respondents' gender, the number of employees working for the business, the age of the business, business membership to sector body and years of membership in sector body.

Part B (12 variables) looked at motivational factors (positive independent variables) that could influence employers to positively contribute to the NETTL. The twenty-four (24) dimensions enquired for the twelve (12) independent variables. Two (2) questions were developed for each independent variable to test the respondents' motives for each specific variable.

Part C (5 variables) dealt with the de-motivating factors (negative independent variables) that could influence employers reluctance to contribute into the levy. Some of the questions included levy imposition, levy as another form of taxation, lack of employer consultation and buy-in during levy policy enactment, levy charged on turnover rather than the payroll levy which is the norm in SSA. Two (2) dimensions were developed for each de-motivating variable to test the respondents' motives for each specific variable.

Part D (4 dimensions) of the questionnaire assessed the dependent variables and enquired about business voluntary contribution; business anticipation in fulfilling their obligations; business has no corporate social responsibility and all inclusive contribution to the levy. The dimensions developed in this section were designed to measure the explanatory variable on the framework.

Validity testing

Content validity is precisely the extent to which the questionnaire items provide adequate coverage of the investigative questions and hypotheses. The researcher tested content validity through consultation with a prominent Labour Market Specialist in The Netherlands (Mr. Hans Bekkers) to validate the item contents. The Specialist worked for the EU in the Gambia and numerous other assignments in the TVET sector over the last decade. The Specialist conducted item by item assessment of the questions and provided suggestions and/or comments for consideration.

Reliability testing

As the survey items were developed by the researcher, a reliability test was conducted following the pilot study. The Statistical Package for Social Science (SPSS) PC 16.0 version was used. The researcher used Cronbach's α (alpha) value to test internal consistency (scale reliability coefficient) for both the independent and dependent variables.

Table 3.6. *Reliability statistics for motivational factors (independent variables)*

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.920	.924	24

Using Cronbach's α (alpha) for Part B of the independent variables (motivational factors) the survey items internal consistency (scale reliability coefficient) is 0.920. This value is considered high to permit the use of this section of the questionnaire.

Table 3. 7. *Reliability statistics for de-motivating factors (independent variables)*

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.822	.827	10

Using Cronbach's α (alpha) for Part C of the independent variables (de-motivating factors) the survey items internal consistency (scale reliability coefficient) is 0.822. This value is considered high to permit the use of this section of the questionnaire.

Table 3.8. *Reliability statistics on the dependent variables (employer contribution)*

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.766	.766	4

Using Cronbach's α (alpha) for Part D of the questionnaire (dependent variables) the survey items internal consistency (scale reliability coefficient) was at 0.472 using all the 9 items. This value was considered too low and to increase the value to an acceptable level, items with lowest corrected item-Total Correlation were deleted. This process ensured the deletion of 5 items to raise the Cronbach's α (alpha) to the highest achievable value of 0.766.

Population and Sampling Criteria

Pilot study

A database of industries (NTA, 2008) called "Mapping Study of Industries (MSI)" available at the National Training Authority provided a list of 2246 registered companies currently operating in the Gambia. A review of the data showed a mix of private companies, NGOs and NPOs and training institutions. The researcher conducted a cleaning exercise on the data and all organisations / businesses that had incomplete information were removed from the database.

Due to limitation on the finances for the data collection, companies outside of Banjul and the Kombo St. Mary Region were also removed. As the data categories for the MSI were not in consistency with the research demographics for the private sector, further filtering of the data was carried out to ensure consistency with the research requirements. At the end of the exercise, a research population of 1312 registered private companies was available for the study.

With the aid of sample size calculator software (www.surveysystem.com), a sample size of 120 companies for the pilot study was given at a ±5% margin of error. The questionnaires were administered in accordance with the distribution schedule outline in Table 3.4.

Field study

In view of the challenges encountered during the pilot study, the population sample of the field study was limited to only businesses that contributed to the levy in the past three years. The GRA provided the study with a list of names and addresses of businesses that had paid into the levy between 2006 and 2008. The selection of only levy contributors was adopted for the sample population with a view to improve the respondents' response rate. It was noted in the pilot study that most of the respondents were not aware of the levy and therefore could not respond to majority of the items in the questionnaire.

The list of 263 businesses was obtained from the GRA. After an exhaustive scrutiny of the data, 230 businesses with valid addresses and contact details were available. This became the sample population for the field study and with the aid of sample size calculator software (www.surveysystem.com), a sample size of 144 businesses was given at a ±5% margin of error.

Data Analysis

In view of the data to be collected and analysed, a quantitative research approach was adopted for the study. The quantitative analyses included both a statistical and an inferential analysis of the results. Using SPSS, a One-way ANOVA (hypothesis 1–3) was run for the demographics dimensions against the independent and dependent variables. This was done to assess whether the independent and dependent variables had significant differences based on the demographic dimensions. Post Hoc test was carried out for the significant variables that had more than two categories. The purpose of the Post Hoc was to determine which of the categories were significant against the other. Regression analysis (hypothesis 4 and 5) was also run to assess the influence of the independent variables (motivational and de-motivating factors) on the dimensions of dependent variable (employer contribution).

The demographics data provided the opportunity to understand the characteristics of the businesses and respondents who participated in this study. The characteristics of the business (registration status, business economic sector, gender, business size, sector body membership and duration, duration of business) when tested against the independent variables, highlighted business preference amongst the motivational and de-motivating variables. It also informed of their motives with regards to the dependent variable.

Research Procedure

One of the main challenges the researcher faced was to acquire a database in the Gambia that could serve the purpose of the study. Following several attempts on various institutions without success, the NTA consultancy for the Mapping Studies of Industries (MSI) was finalised and was made available to the researcher to use during the pilot study.

At the end of the pilot study, the MSI database was made redundant due to limited relevance with the study. Numerous efforts were made to access the database of levy contributors from the Gambia Revenue Authority (GRA), the sole collector of the levy fund. A list was eventually made available to the researcher.

During this process, the researcher developed the questionnaire items. With a few revisions, a draft was sent to a labour market expert, Mr. Hans Bekkers, in The Netherlands. Feedback from Mr. Bekkers helped in finalising the questionnaire items as well as providing suggestions on the sampling size distribution amongst the various economic sectors indentified for the pilot study. At the end of the data collection, the reliability testing was conducted on the independent and dependent variables and was followed by the proposal meeting for the research.

Having made all the necessary adjustments to the research instruments and methodology, the field survey was executed in a similar manner to the pilot study. This was followed by the data analysis and final submission for defence meeting. Figure 3.2. below provides a general description of the research procedure. Please note that most of the activities overlapped with each other because majority of the activities were independent of each other.

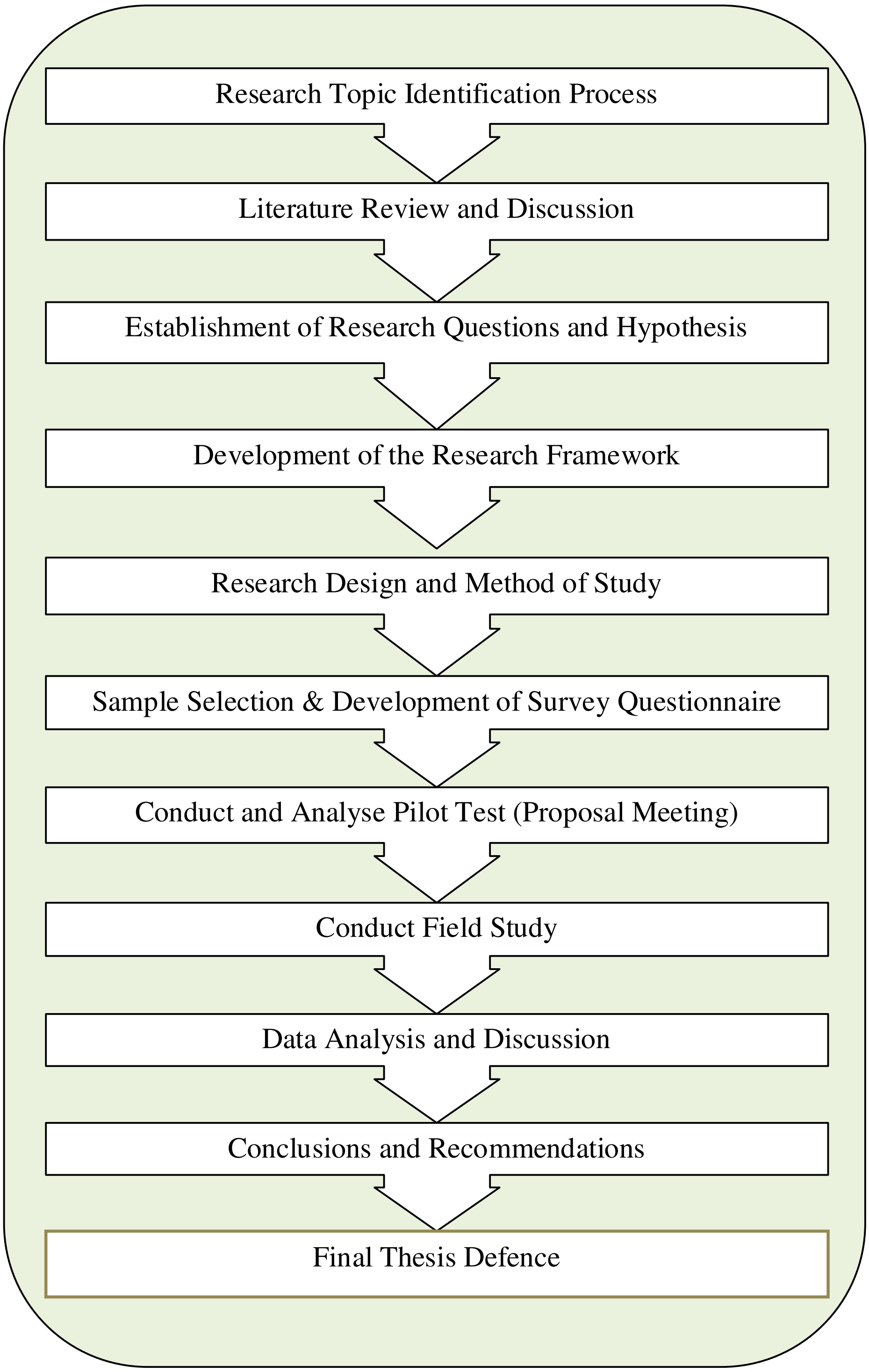

Figure 3.2. *Research process flow chart*

CHAPTER IV. FINDINGS AND DISCUSSIONS

Chapter Overview

In sequential order are presented the results of the hypotheses testing for the research. The empirical results provide both the descriptive and inferential statistics. The descriptive statistics provided the mean measures of the variables for comparison whilst the inferential results (One-way ANOVA and Regression Analysis) measured the statistical significance of the variables under consideration.

Presented are the profiles of the respondents highlighted using descriptive statistics. This is followed by a descriptive statistics of the motivational factors and discussions of the five factors with the highest and lowest mean measures. The analysis of results of hypothesis (H_1) is followed by discussions and provided the forum for a thorough analysis of the implications from the empirical results. This sequence of presentation is followed for the remaining hypotheses (H_2 - H_5).

Profile of Respondents

Table 4.1. provides a summary of the original distribution of respondents for the eight (8) demographic dimensions included in the study. Each of the dimensions has at least two to five categories as appropriate to suit the requirements of the study. A category called missing values was also provided to cater for those dimensions with missing data.

Table 4. 1. *Original distribution of respondents for the demographic dimensions*

No.	Demographic Dimensions	Categories					Total Number	Missing Value
1	Registration Status of Business	Sole Ownership 9(14.5%)	Partnership 7(11.3%)	Limited Liability 41(66.1%)	Public Limited 3(4.8%)	Others 1(1.6%)	61(98.4%)	1(1.6%)
2	Economic sector of Business	Construction (Nil)	Manufacturing 9(14.5%)	Tourism 7(11.3%)	Services 28(45.2%)	Others 17(27.4%)	61(98.4%)	1(1.6%)
3	Position in business	Proprietor 5(8.1%)	Supervisor 3(4.8%)	Manager 28(45.2%)	Managing Director 15(24.2%)	Others 10(16.1%)	61(98.4%)	1(1.6%)
4	Gender	Male 51(82.3%)	Female 11(17.7%)				62(100%)	
5	Business sector membership	Yes 20(32.3%)	No 42(67.7%)				62(100%)	
6	Years of Sector Body Membership	1-5 years 4(6.4%)	6-10 years 7(11.3%)	11+ years 7(11.3%)			18(29%)	44(71%)
7	Number of employees in business	1-5 employees 9(14.5%)	6-50 employees 37(59.7%)	51+ employees 14(22.6%)			60(96.8%)	2(3.2%)
8	Years of business operation	1-5 years 6(9.7%)	6-10 years 17(27.4%)	11+ years 37(59.7%)			60(96.8%)	2(3.2%)

The first dimension, *registration status of business*, had five dimensions (Sole Ownership, Partnership, Limited Liability, Public Limited and Others). Responses to 4 out of the 5 categories in this dimension showed low results, below 10. Only the Limited Liability category had responses of above 40 respondents (66.1%).

The second dimension, *economic sector of business,* also suffered low responses with construction presenting zero responses. The category with the highest response was Services, with 28 (45.2%) responses. Each of the categories, tourism and manufacturing accounted for less than 10 of the responses.

In the third dimension, *position in the business*, the highest response category was the Manager with 28(45.2%) responses followed by the Managing Director with 15(24.2%) respondents. The remaining three (3) categories had 10 or less respondents.

The fourth and fifth dimensions, *gender and business sector membership*, had only two categories and did not experienced low responses.

Dimension six (6), *years of sector body membership*, suffered the worst low response rate with up to 44(71%) of no responses (missing values). The rest of the responses were spread within the three (3) categories, none of the categories accounted for more than 12% of responses.

Dimension seven (7), *number of employees in business*, has three (3) categories. Almost 60% of the responses accounted for businesses that have employed between 6-50 employees whilst the first category (1-5 employees) accounts for only 9(14.5%) of the responses.

Dimension eight (8), *years of business operation*, has three (3) categories. Businesses that had operated for 11+ years accounted for nearly 60% of the responses. There were only 6(9.7%) responses for younger businesses within the age bracket of 1-5 years.

Table 4.2. below presents a revision of the distribution of the respondents for the demographic dimensions. The distribution of the respondents in Table 4.1. above showed a risk of instability for the statistics as a result of the large number of categories with low responses on most of the demographic dimensions. To minimize this risk, the researcher reduced the number of categories in all the dimensions, except for the fourth and fifth dimensions. The revision for the demographic dimensions 7 and 8 was made possible because the questionnaire items were not categorical but rather left open for the respondents to state their answers. In doing so the categories could be revised if required as in this case.

Table 4.2. *Revised distribution of respondents for the demographic dimensions*

No	Demographic Dimensions	Categories			Total Number
1	Registration status of business	Limited Liability 41(66.1%)	Others 20(32.3%)		61(98.4%)
2	Economic sector of business	Services 28(45.2%)	Others 33(53.2%)		61(98.4%)
3	Position in business	Managing Director 15(24.2%)	Manager 28(45.2%)	Others 18(29%)	61(98.4%)
4	Gender of respondent	Male 51(82.3%)	Female 11(17.7%)		62(100%)
5	Sector body membership	Yes 20(32.3%)	No 42(67.7%)		62(100%)
6	Years of sector body membership				
7	Number of employees in business	1–15 employees 31(50%)	16+ employees 30(46.8%)		60(96.8%)
8	Duration of business operation	1-10 years 23(37.1%)	11+ years 37(59.7%)		60(96.8%)

Motivational Factors

A descriptive statistics of the motivational factors in descending order of the means measure is provided in Table 4.3 below. The item means and standard deviations were provided for each motivational factor variables. A factor mean (3.55) for the overall group is also presented in the table. Highlighted on the table are the first and last five item dimensions. The five highest and lowest items with means measures have been regarded by the respondents as the most and least influential motivational dimensions for employer contribution to the levy.

Table 4.3. *Motivational factor dimensions in descending order of the means measure*

Variables	Item	Motivational dimensions	N	Mean	Std. Deviation	Factor Mean
Motivating Factors	***6***	***Feedback on fund allocation***	***62***	***4.21***	***1.026***	
	7	***Prior consultation during levy policy development***	***61***	***4.16***	***1.003***	
	8	***Sector body support for levy rate reduction***	***62***	***3.89***	***1.103***	
	2	***Subsidizing staff training needs***	***62***	***3.84***	***1.148***	
	3	***Provision of properly trained workers***	***62***	***3.84***	***1.190***	
	11	***Levy exemption policy for training***	***61***	***3.84***	***1.113***	
	5	Open decision making process	62	3.81	1.185	
	4	Provision of formal and non-formal training	62	3.77	1.108	
	15	Levy put in closed accounts	62	3.77	1.151	
	1	Easy access to the skills training fund	61	3.77	1.175	
	17	NTA board mgt.- majority voting right for employers'	62	3.71	1.107	
	18	Skills training fund - majority voting right for employers	62	3.71	1.092	
	22	Stability for skills training and development	61	3.66	1.138	
	19	Greater decision making autonomy by employers on NTA budget	62	3.63	1.044	**3.55**
	21	Secure and sustainable means of funding skills development	61	3.61	1.053	
	10	NGO's contribution to levy	62	3.60	1.032	
	16	Government access to levy	62	3.60	1.234	
	9	Public institution contribution to levy	62	3.53	1.155	
	20	Employers' ability to control skills training budget at NTA	61	3.51	1.135	
	13	***Tight levy collection process***	***62***	***3.08***	***1.359***	
	23	***Payroll bill fairer than levy charged on annual turnover***	***61***	***2.90***	***1.375***	
	24	***Levy charged at 2% of employer payroll bill***	***61***	***2.90***	***1.313***	
	12	***Prefer levy contribution than conducting training***	***62***	***2.74***	***1.241***	
	14	***Evasion on levy contribution***	***62***	***2.21***	***1.073***	

Motivational factors with highest means measure

Feedback on fund allocation was ranked the highest motivational factor dimension with a mean measure of 4.21. This motivational dimension was designed to inquire about the motivational factor variable – *accountability and transparency of levy system*. In this dimension, it was asked whether feedback on fund allocation that is well documented and understood by all stakeholders would encourage businesses to contribute to the levy. The results indicate that accountability and transparency of the levy fund is of high priority for private sector businesses contributing to the levy.

The second and third highest ranked item means measure was designed to inquire about the motivational factor variable – *employer buy-in*. The first dimension asked whether prior consultation with businesses during levy policy development would have encouraged businesses to contribute to the levy. The second dimension enquired into sector body support for reduction to levy contribution. Both dimensions are *employer buy-in* avenues and are generally meant to ensure ownership and involvement of key stakeholders.

It has been generally argued that lack of buy-in from key stakeholders can cause serious threats to new programmes particularly during implementation stage. The results show that businesses were of the view that their involvement either through consultation or via their sector bodies could influence their willingness to contribute to the levy.

The fourth highest ranked means measure was the subsidizing of staff training needs. Subsidizing of businesses that conduct staff training through a skills training and development fund is common practice in most SSA countries, typically Senegal with two funding strategies to support employers training initiatives. Subsidizing business training initiatives is generally regarded as *perceived benefits from levy* and the results indicate that this could influence businesses to contribute to the levy.

Provision of properly trained workers was the fifth highest ranked means measure. This dimension asked businesses whether a national skills training system that provides adequate supply of properly trained workers for industry would influence their contribution to the levy. The motivational dimension was designed to assess the motivational variable dealing with *confidence in the training system*. The result is an indication of the need to develop a training system that is accessible and relevant to the needs of Gambian industry (demand driven training system).

The sixth highest ranked motivational dimension means measure was *levy exemption policy* for training. In many SSA countries with levy systems, this option is largely available to employers usually in the form of a tax rebate. Such a policy is not in existence in the Gambia. Although it is evident that employers are in favour of such a policy, implementation is generally problematic in those countries where it exists.

Businesses have supported six (6) of the motivational factors that could have strong influence on their willingness to contribute to the levy namely: *perceived benefits from the levy; confidence in the training system; accountability and transparency of the levy system; employer buy-in and levy exemption policy*. It is evident that businesses that are paying into the levy want to have control over the funds. Where possible businesses want to invest on their own staff training instead of contributing to the levy. Where they are not able to avoid contributing to the levy, they would want to receive direct benefits from those funds.

Motivational factors with lowest means measure

Evasion on levy contribution was ranked lowest amongst the motivational factor dimensions with a mean measure of 2.21. This dimension was designed to inquire about the motivational factor, *levy collection regime*. There is strong rejection of the notion that because some businesses are evading payment, then other businesses will avoid paying into the levy as well. Payment to the levy seems more of a legal requirement than being motivated by the fact that other businesses are contributing.

The second lowest motivational dimension means measure pertains to business preference to contribute to the levy than conducting annual staff training programmes. From the results it is evident that businesses prefer the option of conducting staff training programmes than paying into the levy thus supporting once more the *levy exemption policy* motivational factor.

The low ranking of the two dimensions, levy charged at 2% of employers total payroll bill and levy charged on employer payroll bill is fairer than a levy charged on company annual turnover shows that the traditional *levy system charged on payroll* as in most SSA countries is not a strong motivator for businesses in the Gambia. It is clear that businesses prefer the annual turnover levy than a 2% payroll levy.

The motivational dimension with the fifth lowest mean measure, tight levy collection process, inquires on *levy collection regime* as a motivational factor. The results show that a tight levy collection regime does not strongly motivate businesses to contribute to the levy. Although it is reported that a tight levy collection regime would help enhance revenues collected from the levy, this processes has little motivational effect on businesses.

Analysis of Results for Hypothesis - H_1 (Motivational Factors)

A One-way Analysis of Variance (ANOVA) was calculated for all the demographic dimensions against the motivational factor variables. Only significant results were presented in this section for analysis. As group results were bulky, it will be provided to interested audience on request. An Alpha level of .05 was used for all statistical tests and *r* was calculated as the effect size (Rosenthal, 1991).

Results for business registration status (Hypothesis H_{1-1})

Table 4.4. *Significant motivational factor dimensions against registration status of business*

Motivational Factors		Sum of Squares	df	Mean Square	F	Sig.
Easy access to the skills training fund	Between Groups	6.533	1	6.533	4.973	.030
	Within Groups	76.200	58	1.314		
	Total	82.733	59			
Provision of properly trained workers	Between Groups	6.092	1	6.092	4.516	.038
	Within Groups	79.580	59	1.349		
	Total	85.672	60			
Provision of formal and non-formal training	Between Groups	5.261	1	5.261	4.465	.039
	Within Groups	69.526	59	1.178		
	Total	74.787	60			
Feedback on fund allocation	Between Groups	11.186	1	11.186	12.442	.001
	Within Groups	53.044	59	.899		
	Total	64.230	60			
Prior consultation during levy policy development	Between Groups	9.604	1	9.604	10.981	.002
	Within Groups	50.729	58	.875		
	Total	60.333	59			
Levy put in closed accounts	Between Groups	5.680	1	5.680	4.495	.038
	Within Groups	74.550	59	1.264		
	Total	80.230	60			

*$p < .05$.

Table 4.5. *Descriptive – significant motivational factor dimensions against registration status of business*

Motivational Factors	Categories	N	Mean	Std. Deviation
Easy access to the skills training fund	Limited Liability	40	4.00	1.062
	Others	20	3.30	1.302
	Total	60	3.77	1.184
Provision of properly trained workers	Limited Liability	41	4.07	1.058
	Others	20	3.40	1.353
	Total	61	3.85	1.195
Provision of formal and non-formal training	Limited Liability	41	3.98	1.012
	Others	20	3.35	1.226
	Total	61	3.77	1.116
Feedback on fund allocation	Limited Liability	41	4.51	.637
	Others	20	3.60	1.392
	Total	61	4.21	1.035
Prior consultation during levy policy development	Limited Liability	41	4.44	.709
	Others	19	3.58	1.305
	Total	60	4.17	1.011
Levy put in closed accounts	Limited Liability	41	4.00	.949
	Others	20	3.35	1.424
	Total	61	3.79	1.156

Easy access to the skills training fund (Perceived benefits from levy)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on easy access to the skills training fund. The analysis was significant, $F(1, 58) = 4.97$, $*p < .05$ ($r = .28$). Respondents' amongst the Limited Liability business registration status rated easy access to the skills training fund higher (M = 4.00, SD = 1.06) than those respondents' within the Others business registration status (M = 3.30, SD = 1.30).

Provision of properly trained workers (Confidence in training system)

A One-way Analysis of Variance (ANOVA) was calculated on respondent ratings for provision of properly trained workers. The analysis was significant, $F(1, 59) = 4.52$, *$p < .05$ ($r = .27$). Respondents' amongst the Limited Liability business status rated provision of properly trained workers higher ($M = 4.07$, $SD = 1.06$) than those respondents within the Other business status ($M = 3.40$, $SD = 1.35$).

Provision of formal and non-formal training (Confidence in training system)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings for provision of formal and non-formal training. The analysis was significant, $F(1, 59) = 4.47$, *$p < .05$ ($r = .27$). Respondents amongst the Limited Liability business status rated the provision of formal and non-formal training higher ($M = 3.98$, $SD = 1.01$) than those respondents within the Other business status ($M = 3.35$, $SD = 1.23$).

Feedback on fund allocation (Accountability and transparency of levy system)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings for feedback on fund allocation. The analysis was significant, $F(1, 59) = 12.44$, *$p < .05$ ($r = .17$). Respondents amongst the Limited Liability business status rated feedback on fund allocation higher ($M = 4.51$, $SD = 0.64$) than those respondents within the Other business status ($M = 3.60$, $SD = 1.39$).

Prior consultation during levy policy development (Employer buy-in)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings for prior consultation during levy policy development. The analysis was significant, $F(1, 58) = 10.98$, *$p < .05$ ($r = .16$). Respondents amongst the Limited Liability business status rated prior consultation during levy policy development higher ($M = 4.44$, $SD = 0.71$) than those respondents within the Other business status ($M = 3.58$, $SD = 1.31$).

Levy put in closed accounts (Security of levy proceeds)

A One-way Analysis of Variance (ANOVA) was calculated on respondents ratings for levy put in closed accounts. The analysis was significant, $F(1, 59) = 4.50$, $*p < .05$ ($r = .07$). Respondents amongst the Limited Liability business status rated levy put in closed accounts higher ($M = 4.00$, $SD = 0.95$) than those respondents within the Other business status ($M = 3.35$, $SD = 1.42$).

Hypothesis (H_{1-1}) - Business registration status

Hypothesis (H_{1-1}) stating that registration status of business has no significant influence on motivational factors was rejected when testing against the following motivational factor variables: *confidence in training system*; *accountability and transparency of levy system*; *employer buy-in*; *and security of levy proceeds.* The null hypothesis (H_{1-1}) was therefore rejected for the above mentioned motivational factor variables.

The MSI Database (NTA, 2008) showed that in the Gambia manufacturing, construction and services sectors form the bulk of the Limited Liability businesses. These sectors of the economy in SSA have been mentioned in Emeji (2008) as in serious need of highly skilled workforce. However, despite the acute shortages of highly skilled workforce in these sectors of industries in SSA, access to skills training funds has been a major challenge for businesses (Ziderman, 2001).

This lack of access to the skills training fund and the inadequate provision of properly trained workers undermines *business confidence in the training system* thus the significant difference between the Limited Liability and the Others business category. The Others business category are mainly dominated by Sole Ownerships and Partnerships (SME's), engaged mainly on low technology activities and therefore require limited amount of training funds to develop their human resource capacity.

Durango (2002) emphasised that training levy funds based on levies imposed on the private sector should be dedicated to the training of employed workers and that the levy should focus on skills training and upgrading of workers to meet the specific needs of industry. It is evident in this study that *accountability and transparency of levy system* is a major issue for limited liability businesses in the Gambia, which could be associated primarily as a monitoring tool on how the levy fund is allocated for skills training on businesses.

Employer buy-in during policy development can arguably be the sole determinant of a successful levy system. Ziderman (2001) recommends for employers involvement in levy policy formulation and execution. Ownership and support is established when employer's concerns are addressed during policy formulation.

Results for economic sector of business (Hypothesis $H_{1\text{-}2}$)

Hypothesis ($H_{1\text{-}2}$) stating that economic sector of business has no significant difference on motivational factor variables, was no one reaching significance level. All the motivational factor dimensions when tested against the economic sector demographic dimensions showed no significant difference and therefore the null hypothesis ($H_{1\text{-}2}$) was retained.

Results for respondents' position in business (Hypothesis $H_{1\text{-}3}$)

Table 4.6. *Significant motivational factor dimensions against position in business*

Motivational Factors		Sum of Squares	df	Mean Square	F	Sig.
Prior consultation during levy policy development	Between Groups	8.333	2	4.167	4.567	.014
	Within Groups	52.000	57	.912		
	Total	60.333	59			
Levy put in closed accounts	Between Groups	10.675	2	5.337	4.415	.016
	Within Groups	70.112	58	1.209		
	Total	80.787	60			

*$p < .05$

Table 4. 7. *Descriptives – significant motivational factor dimensions against position in business*

Motivational Factors	Categories	N	Mean	Std. Deviation
Prior consultation during levy policy development	Managing Director	15	4.67	.617
	Manager	27	4.22	.974
	Others	18	3.67	1.138
	Total	60	4.17	1.011
Levy put in closed accounts	Managing Director	15	4.27	1.100
	Manager	28	3.89	1.197
	Others	18	3.17	.924
	Total	61	3.77	1.160

Table 4.8. Post hoc tests of significant motivational factors against position in business

Dependent Variable	(I) Position in business	(J) Position in business	Mean Difference (I-J)	Std. Error	Sig.
Prior consultation during levy policy development	Managing Director	Manager	.444	.308	.359
		Others	1.000*	.334	.016
	Manager	Managing Director	-.444	.308	.359
		Others	.556	.291	.170
	Others	Managing Director	-1.000*	.334	.016
		Manager	-.556	.291	.170
Levy put in closed accounts	Managing Director	Manager	.374	.352	.572
		Others	1.100*	.384	.022
	Manager	Managing Director	-.374	.352	.572
		Others	.726	.332	.101
	Others	Managing Director	-1.100*	.384	.022
		Manager	-.726	.332	.101

*$p < .05$.

Prior consultation during levy policy development (Employer buy-in)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings on prior consultation during levy policy development. The analysis was significant, $F(2\ ,\ 57) = 4.57$, $*p < .05$ ($r = .27$). Respondents' amongst the Managing Directors rated prior consultation during levy policy development higher (M = 4.67, SD = 0.62) than those respondents within the Manager position (M = 4.22, SD = 0.97) or respondents' within the Others positions (M = 3.67, SD = 1.14). The multiple comparison on Post Hoc showed that Managing Directors motives to contribute to the levy are significantly different from the Others category. However, the Managing Director motives are not significantly different from the Managers, likewise the Others motives are not significantly different from the Managers motives.

Levy put in closed accounts (Security of levy proceeds)

A One-way Analysis of Variance (ANOVA) was calculated on respondents ratings for a levy put in closed accounts. The analysis was significant, $F(2\ ,\ 58) = 4.42$, $*p< .05$ ($r = .27$). Respondents' amongst the Managing Directors rated levy put in closed accounts higher (M = 4.27, SD = 1.10) than those within the Manager position (M = 3.89, SD = 1.20) and respondents' within the Others category (M = 3.77, SD = 1.16). The Managing Director motives are not significantly different from that of the Managers neither are the Others motives significantly different from the Managers motives.

Hypothesis ($H_{1\text{-}3}$) - Position in business

Hypothesis ($H_{1\text{-}3}$) stating that respondent's position in business has no significant influence on motivational factors was rejected by two motivational factor variables when tested: *employer buy-in and security of levy proceeds.* The null hypothesis ($H_{1\text{-}3}$) was therefore rejected by the above mentioned motivational factor variables.

As noted by (Johanson, 2001), the idea behind training authorities (training levies) is that they represent the range of relevant stakeholders especially businesses and will move control of the training system out of the hands of the bureaucracy. This novel idea could only be realised when employers (Managing Directors) who are the decision makers within the business environment are involved early in the policy making process. Managing directors responses is significantly different with the (Others category) which shows a clear testimony of businesses' strong view on participation and involvement at the policy making stage.

An important objective of establishing national training funds (particularly when financed by company training levies) is to provide sustained and stable funding for the training programs they support. However, it is argued that where company contribution forms a substantial or entire part of the training fund income, it might be both appropriate and politic that employers should feel they have some control on the uses to which the levies are put. It is evident that the security of levy proceeds is of paramount importance to managing directors thus the significant difference between them and Others category.

Results for gender (Hypothesis $H_{1\text{-}4}$)

Table 4.9. *Significant motivational factor dimensions against gender*

Motivational Factors		Sum of Squares	df	Mean Square	F	Sig.
Evasion on levy contribution	Between Groups	6.542	1	6.542	6.158	.016
	Within Groups	63.733	60	1.062		
	Total	70.274	61			
Secure and sustainable means of funding skills development	Between Groups	4.212	1	4.212	3.986	.050
	Within Groups	62.345	59	1.057		
	Total	66.557	60			
Stability for skills training and development	Between Groups	4.965	1	4.965	4.023	.049
	Within Groups	72.806	59	1.234		
	Total	77.770	60			

$^*p < .05$.

Table 4. 10. *Descriptives – significant motivational factor dimensions against gender*

Motivational Factors	Categories	N	Mean	Std. Deviation
Evasion on levy contribution	Male	51	2.06	.988
	Female	11	2.91	1.221
	Total	62	2.21	1.073
Secure and sustainable means of funding skills development	Male	51	3.49	1.065
	Female	10	4.20	.789
	Total	61	3.61	1.053
Stability for skills training and development	Male	51	3.53	1.155
	Female	10	4.30	.823
	Total	61	3.66	1.138

Evasion on levy contribution (levy collection regime)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings for evasion on levy contribution. The analysis was significant, $F(1 , 60) = 6.16$, $p < .05$ ($r = .31$). The female respondents rated evasion on levy contribution higher ($M = 2.91$, $SD = 1.22$) than the male respondents ($M = 2.06$, $SD = 0.99$).

Secure and sustainable means of funding skills development (security and stability of funds)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings on a secure and sustainable means of funding skills development. The analysis was significant, $F(1 , 59) = 3.99$, $p < .05$ ($r = .25$). The female respondents rated secure and sustainable means of funding skills development higher ($M = 4.20$, $SD = 0.79$) than the male respondents ($M = 3.49$, $SD = 1.07$).

Stability for skills training and development (security and stability of funds)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings for stability of skills training and development. The analysis was significant, $F(1 , 59) = 4.02$, $p < .05$ ($r = .25$). The female respondents rated secure and sustainable means of funding skills development higher ($M = 4.30$, $SD = 0.82$) than the male respondents ($M = 3.53$, $SD = 1.16$).

Hypothesis ($H_{1\text{-}4}$) - Gender

Hypothesis ($H_{1\text{-}4}$) stating that gender has no significant influence on motivational factors was rejected when testing against the following motivational factor variables: *levy collection regime and security and stability of funds*. The null hypothesis ($H_{1\text{-}4}$) was therefore rejected by the above mentioned motivational factor variables.

There has been a significant difference between female and male respondents on the motivational factor dimensions: evasion on levy contribution (*levy collection regime*). Female respondents showed higher willingness to contribute to the levy despite other business evading contribution to the levy. From the results, it could be argued that female respondents are more sympathetic to the levy, honest and law abiding than their male counterparts.

The motivational factor on *security and stability of funds* has both dimensions fully supported. The female respondents' showed greater concern for a secure, sustainable and stable means of funding skills development as opposed to their male counterparts. This is strong indication that female employers in the private sector are more willing to contribute to the levy than male employers. However, the situation in the Gambia from the survey results showed that the private sector is male dominated (82.3% of respondents) at the managerial level as compared to females and therefore posses' serious risks on the sustainability, stability and security of funding for skills development.

Results for sector body membership (Hypothesis $H_{1\text{-}5}$)

Hypothesis ($H_{1\text{-}5}$) stating that sector body membership of business has no significant difference on motivational factor variables was retained. All the motivational factor variables when tested against the sector body membership demographic dimensions showed no significant difference and therefore the null hypothesis ($H_{1\text{-}5}$) was retained.

Results for years of sector body membership (Hypothesis H_{1-6})

Hypothesis (H_{1-6}) was not tested because the researcher decided to remove the item from the rest of the data due to high amount of missing values (71%) on the item.

Results for number of employees (Hypothesis H_{1-7})

Hypothesis (H_{1-7}) stating that number of employees (business size) has no significant difference on the motivational factor variables was retained. All the motivational factor variables when tested against the number of employee demographic dimension showed no significant difference and therefore the null hypothesis (H_{1-7}) was retained.

Results for years of operation of business (Hypothesis H_{1-8})

Table 4.11. *Significant motivational factor dimensions against years of operation of business*

Motivational Factor	Categories	N	Mean	Std. Deviation
Payroll bill fairer than levy charged on annual turnover	1-10 years	22	3.50	1.225
	11+ years	37	2.46	1.304
	Total	59	2.85	1.362

Table 4.12. *Comparison of significant motivational factor dimensions against years of operation of business*

Motivational Factor		Sum of Squares	df	Mean Square	F	Sig.
Payroll bill fairer than levy charged on annual turnover	Between Groups	14.938	1	14.938	9.186	.004
	Within Groups	92.689	57	1.626		
	Total	107.627	58			

*$p < .05$.

Payroll bill fairer than levy charged on annual turnover (levy charged on payroll)

A One-way Analysis of Variance (ANOVA) was calculated on respondents' ratings on payroll bill fairer than levy charged on annual turnover. The analysis was significant, $F(1, 57) = 9.19$, $*p < .05$ ($r = .37$). Businesses that are 1 – 10 years rated payroll bill fairer than levy charged on annual turnover higher ($M = 3.50$, $SD = 1.23$) than businesses that are 11+ years ($M = 2.46$, $SD = 1.30$).

Hypothesis ($H_{1\text{-}8}$) - Years of operation of business

Hypothesis ($H_{1\text{-}8}$) stating that years of operation of business has no significant influence on motivational factors was rejected when testing against the motivational factor variable, *levy charged on payroll.* The null hypothesis ($H_{1\text{-}8}$) was therefore rejected by the above mentioned motivational factor variable.

In this demographic dimension, private sector businesses were grouped into two categories. Young businesses were deemed to have operated between 1 to 10 years whilst those above 10 years (11+ years) were old businesses. This grouping as discussed earlier does not represent existing business demographics in the Gambia but rather to serve the purposes of the study.

As shown in the analysis, there was a significant difference between young businesses as compared to old businesses. The young businesses were of the opinion that a payroll level is fairer than a levy charged on annual turnover and therefore influences their contribution to the levy. It is becoming evident why the outcry in 2007 when the turnover levy was enforced in the Gambia.

Summary of Results for Hypothesis - H_1 (Motivational Factors)

Table 4.13 below provides summary of the results for hypothesis (H_1), which is inclusive of all the sub-hypothesis ($H_{1\text{-}1}$ – $H_{1\text{-}8}$) for the motivational factors. The results show that the following sub-hypothesis; business registration status ($H_{1\text{-}1}$); position in business ($H_{1\text{-}3}$); respondents' gender ($H_{1\text{-}4}$) and years of operation of business ($H_{1\text{-}8}$) were significantly different based on the demographic dimensions and were therefore rejected.

Table 4.13. *Summary of findings for hypothesis - H_1*

H_1: There are no significant differences on motivational factors based on the demographic factors				
Sub-hypothesis	Results – Motivational factors	Sig.	Status	Comments
H_{1-1} Business registration status	• confidence in training system; • accountability and transparency of levy system; • employer buy-in • security of levy proceeds.	$*p < .05$	Rejected (p. 52-53)	• Access to skills training funds (Ziderman, 2001) • Levies dedicated to the training of employed workers (Durango, 2002)
H_{1-3} Position in business	• Employer buy-in • security of levy proceeds	$*p < .05$	Rejected (p. 56-57)	• Recommends for employers involvement in levy policy formulation and execution (Ziderman, 2001)
H_{1-4} Respondents gender	• levy collection regime • security and stability of funds.	$*p < .05$	Rejected (p. 59-60)	• Provide sustained and stable funding for the training programs they support (Johanson, 2001)
H_{1-8} Years of operation of business	• levy charged on payroll	$*p < .05$	Rejected (p. 62)	• Turnover levy exists not experienced elsewhere in SSA
H_{1-2} Results for economic sector	None	$*p > .05$	Retained	
H_{1-5} Results for sector body membership	None	$*p > .05$	Retained	
H_{1-6} Years of sector body membership	None	$*p > .05$	Retained	
H_{1-7} Number of employees	None	$*p > .05$	Retained	

De-motivating Factors

Table 4.14 below is a descriptive statistics of the de-motivating factors in descending order of the means measure. The item means and standard deviations were provided for each de-motivating factor variable. A factor mean (3.52) for the overall group was also presented in the table. Highlighted on the table are the first and last three (3) means measure of the item dimensions. The three highest and lowest items with means measure have been regarded by the respondents as the most and least influential to business willingness to contribute to the levy respectively.

Table 4.14. *De-motivating factor dimensions in descending order of the means measure*

Variable	Item	Variable dimension	N	Mean	Std. Deviation	Factor Mean
De-motivating Factors	***6***	**Businesses overburden with tax payment**	61	4.11	1.082	
	5	**Levy purely another form of tax**	61	3.90	1.060	
	7	**Levy introduced during economic slowdown**	61	3.87	1.118	
	4	Levy rate charged at 0.25%	62	3.69	1.209	
	10	Annual turnover levy leads to business bankruptcy	60	3.65	1.260	**3.52**
	9	Levy charged on annual turnover is unrealistic and unjustified	61	3.59	1.243	
	3	Consultation prior to turnover decision	61	3.57	1.176	
	1	**Imposition of levy on businesses**	62	3.32	1.265	
	2	**Levy is interest to government**	62	2.85	1.291	
	8	**Business environment reasonably good during levy introduction**	61	2.67	1.261	

De-motivating factors with highest means measure

The two most de-motivating dimensions with highest mean measures were businesses overburden with tax payment and levy purely another form of tax. The two dimensions were designed to inquire on the de-motivating factor variable, *perceived tax burden by employers*. Kim (1986) and Dougherty and Tan (1991) reported that employers feel that levy scheme has come to nothing but a new tax burden. The private sector outcry in the Gambia following the introduction of the turnover levy in 2007 could be attributed to employer's strong view on levies as another form of taxation. Arguably, the cumulative effect of levies and other tax contributions in low economies like the Gambia could be devastating for businesses.

The third highest de-motivating dimension means measure, levy introduced during economic slowdown, inquired on the de-motivating factor *untimely introduction of levy*. It is generally argued that the timing for the introduction of a levy is crucial to its success. The introduction of levy during periods of economic slowdown could have negative repercussions, which is clearly manifested by businesses when the levy was introduced in 2007. Where levy income generating capacity is weak, due to limited size of the formal sector or administrative/organisational difficulties of levy collection, can affect the intended revenue to be collected.

De-motivating factors with lowest means measure

The lowest mean measure relates to the de-motivating dimensions, business environment reasonably good during levy introduction. This dimension was also intended to inquire on the de-motivating factor, *untimely introduction of the levy*. This dimension is a further clarification from businesses that the levy introduction came at a time when the business environment was not good, thus the lowest means measure.

The second and the third lowest means measure (levy is interest to government and imposition of levy on businesses) are both relating to the de-motivating factor, *levy Act perceived imposition*. This result is a full endorsement from businesses that the levy has been imposed on them. Such imposition are generally criticised by businesses and may result to resentment on their part to contribute fully without a rigorous enforcement mechanism.

Analysis of Results for Hypothesis - H_2 (De-motivating Factors)

A One-way Analysis of Variance (ANOVA) was calculated for all the demographic dimensions against the de-motivating factors variables. Only significant results were presented in this section for analysis. As group results were bulky, it will be provided to interested audience on request. An Alpha level of .05 was used for all statistical tests and r was calculated as the effect size (Rosenthal, 1991).

Results for business registration status (Hypothesis $H_{2\text{-}1}$)

Hypothesis ($H_{2\text{-}1}$) stating that registration status of business has no significant difference on the de-motivating factor variables was retained. All the de-motivating factor variables when tested against the registration status of business demographic dimension showed no significant difference and therefore the null hypothesis ($H_{2\text{-}1}$) was retained.

Results for business sector status (Hypothesis $H_{2\text{-}2}$)

Hypothesis ($H_{2\text{-}2}$) stating that business sector has no significant difference on the de-motivating factor variables was retained. All the de-motivating factor variables when tested against the business sector demographic dimension showed no significant difference and therefore the null hypothesis ($H_{2\text{-}2}$) was retained.

Results for position in business (Hypothesis - $H_{2\text{-}3}$)

Table 4.15. *Significant de-motivating factor dimensions against position in business*

De-motivating Factor		Sum of Squares	df	Mean Square	F	Sig.
Levy is interest to government	Between Groups	14.263	2	7.132	4.732	.012
	Within Groups	87.409	58	1.507		
	Total	101.672	60			
Consultation prior to turnover decision	Between Groups	16.243	2	8.121	6.978	.002
	Within Groups	66.341	57	1.164		
	Total	82.583	59			
Levy rate charged at 0.25% of annual turnover too high	Between Groups	10.240	2	5.120	3.766	.029
	Within Groups	78.842	58	1.359		
	Total	89.082	60			
Levy purely another form of tax	Between Groups	6.722	2	3.361	3.157	.050
	Within Groups	60.678	57	1.065		
	Total	67.400	59			
Levy charged on annual turnover is unrealistic and unjustified	Between Groups	14.548	2	7.274	5.326	.008
	Within Groups	77.852	57	1.366		
	Total	92.400	59			

*$p < .05$.

Table 4. 16. *Descriptive – significant de-motivating factor dimensions against position in business*

De-motivating Factors	Categories	N	Mean	Std. Deviation
Levy is interest to government	Managing Director	15	3.67	1.345
	Manager	28	2.46	1.290
	Others	18	2.78	1.003
	Total	61	2.85	1.302
Consultation prior to turnover decision	Managing Director	15	4.40	1.121
	Manager	27	3.52	1.156
	Others	18	3.00	.907
	Total	60	3.58	1.183
Levy rate charged at 0.25%	Managing Director	15	3.93	1.223
	Manager	28	3.96	1.105
	Others	18	3.06	1.211
	Total	61	3.69	1.218
Levy purely another form of tax	Managing Director	15	4.13	1.246
	Manager	27	4.11	.934
	Others	18	3.39	.979
	Total	60	3.90	1.069
Levy charged on annual turnover is unrealistic and unjustified	Managing Director	15	4.33	1.113
	Manager	27	3.59	1.185
	Others	18	3.00	1.188
	Total	60	3.60	1.251

Table 4.17. *Post Hoc Tests for significant de-motivating factor dimensions against position in business*

De-motivating Factors	(I) Position in business	(J) Position in business	Mean Difference (I-J)
Levy is interest to government	Managing Director	Manager	1.202*
		Others	.889
	Manager	Managing Director	-1.202*
		Others	-.313
	Others	Managing Director	-.889
		Manager	.313
Consultation prior to turnover decision	Managing Director	Manager	.881*
		Others	1.400*
	Manager	Managing Director	-.881*
		Others	.519
	Others	Managing Director	-1.400*
		Manager	-.519
Levy rate charged at 0.25% of annual turnover too high	Managing Director	Manager	-.031
		Others	.878
	Manager	Managing Director	.031
		Others	.909*
	Others	Managing Director	-.878
		Manager	-.909*
Levy purely another form of tax	Managing Director	Manager	.022
		Others	.744
	Manager	Managing Director	-.022
		Others	.722
	Others	Managing Director	-.744
		Manager	-.722
Levy charged on annual turnover is unrealistic and unjustified	Managing Director	Manager	.741
		Others	1.333*
	Manager	Managing Director	-.741
		Others	.593
	Others	Managing Director	-1.333*
		Manager	-.593

*$p < .05$.

Levy is interest to government (Levy Act perceived imposition)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy are interest to government. The analysis was significant, $F(2, 58) = 4.73$, $*p < .05$ ($r = .28$). Respondents' amongst the Managing Director status rated levy is interest to government higher ($M = 3.67$, $SD = 1.35$) than those respondents' within the Managers status ($M = 2.46$, $SD = 1.29$) whilst the Others have the lowest rating at ($M = 2.78$, $SD = 1.00$).

Consultation prior to turnover decision (Perceived high levy rate)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on consultation prior to decision on turnover levy. The analysis was significant, $F(2, 57) = 6.98$, $*p < .05$ ($r = .33$). Respondents' amongst the Managing Director status rated consultation prior to decision on turnover levy higher ($M = 4.40$, $SD = 1.12$) than those respondents' within the Managers status ($M = 3.52$, $SD = 1.16$) whilst the Others rated at ($M = 3.00$, $SD = 0.91$).

Levy rate charged at 0.25% of annual turnover too high (Perceived high levy rate)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy rate charged at 0.25% too high. The analysis was significant, $F(2, 58) = 3.77$, $*p < .05$ ($r = .25$). Respondents' amongst the Manager status rated levy rate charged at 0.25% too high higher ($M = 3.96$, $SD = 1.11$) than those respondents' within the Managing Director status ($M = 3.93$, $SD = 1.22$) whilst the Others rated at ($M = 3.06$, $SD = 1.22$).

Levy purely another form of tax (Perceived tax burden by employers)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy purely another form of tax. The analysis was significant, $F(2, 57) = 3.16$, $*p < .05$ ($r = .23$). Respondents' amongst the Managing Director status rated levy purely another form of tax higher ($M = 4.13$, $SD = 1.25$) than those respondents' within the Manager status ($M = 4.11$, $SD = 0.93$) whilst the Others rated lower at ($M = 3.39$, $SD = 0.98$).

Levy charged on annual turnover is unrealistic and unjustified (Levy taxed on annual turnover)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy charged on annual turnover are unrealistic and unjustified. The analysis was significant, $F(2, 57) = 5.33$, $*p < .05$ ($r = .29$). Respondents' amongst the Managing Director status rated levy charged on annual turnover is unrealistic and unjustified higher ($M = 4.33$, $SD = 1.11$) than respondents' within the Manager status ($M = 3.59$, $SD = 1.19$) whilst the Others rated lower at ($M = 3.00$, $SD = 1.19$).

Hypothesis ($H_{2\text{-}3}$) – Position in business

Hypothesis ($H_{2\text{-}3}$) stating that position in business has no significant influence on the de-motivating factors was rejected when tested against the following de-motivating factor variables: l*evy Act perceived imposition; perceived high levy rate; perceived tax burden by employers and levy taxed on annual turnover.* The null hypothesis ($H_{2\text{-}3}$) was therefore rejected by the above mentioned de-motivating factor variables.

Managing Directors and Managers have similar opinion that levy contribution is purely to the interest of government and not their businesses and was perceived as a legal imposition. Although it is generally argued that the objective for a levy can be either to raise funds for training or to change attitudes, in some cases objectives go beyond the training issue to affect further dimensions, such as the choice of technology in Singapore. This argument however is not supported by employers contributing to the levy.

There are no significant differences between Managing Directors compared to Managers and the Others category on consultation prior to annual turnover levy decision. All the three categories felt that if consulted, the levy would not have been charged on annual turnover, thus perceived the turnover levy rate as high.

There was significant difference between the Managers and Others category on whether the levy rate charged at 0.25% of annual turnover was too high. Both Managers and Managing Directors felt that the 0.25% levy rate was too high. The reason probably why the Others have a different opinion could be attributed to the fact that they might not have access to the actual amounts that were paid into the levy. However, such a unanimous consensus amongst the top managers would only lead to evasion of levy payment or the redundancy of the whole system as experienced in 2007.

The dimension, levy purely another form of tax, was found to be significantly different when tested. However, the comparison showed that none of the categories were different from the other. In SSA, financing mechanisms for TVET are mainly supported by the private sector through a levy system (legislated and enforced by government), the formula for which varies from country to country. Although the results of this study showed that all the three categories (Managing Director, Managers and Others) think that the levy is purely another form of tax and is perceived as a tax burden. Johanson (2001) noted that the private sector views training levy as yet another form of tax, a view supported once more by findings of this study.

As discussed earlier, within SSA annual turnover levy exists only in the Gambia. No literature has been found that indicates the existence of an annual turnover levy elsewhere in Africa. The research was not able to access any policy document in the Gambia that argues for the use of a turnover levy. However, from the researcher’s experience and knowledge both in TVET and the Gambia, the reasons for a turnover levy can only be attributed to the low/weak income generating capacity of the economy, coupled with the limited size of the formal sector that only contributes to the levy.

Results for gender (Hypothesis - $H_{2\text{-}4}$)

Table 4.18. *Significant de-motivating factor dimensions against gender*

De-motivating Factors		Sum of Squares	df	Mean Square	F	Sig.
Levy rate charged at 0.25% of annual turnover too high	Between Groups	10.247	1	10.247	7.789	.007
	Within Groups	78.930	60	1.316		
	Total	89.177	61			
Levy introduced during economic slowdown	Between Groups	12.362	1	12.362	11.653	.001
	Within Groups	62.589	59	1.061		
	Total	74.951	60			

*$p < .05$.

Table 4.19. *Descriptive – significant de-motivating factor dimensions against gender disposition*

De-motivating Factors	Categories	N	Mean	Std. Deviation
Levy rate charged at 0.25% of annual turnover too high	Male	51	3.88	1.177
	Female	11	2.82	.982
	Total	62	3.69	1.209
Levy introduced during economic slowdown	Male	50	4.08	1.047
	Female	11	2.91	.944
	Total	61	3.87	1.118

Levy rate charged at 0.25% of annual turnover too high (Perceived high levy rate)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy rate charged at 0.25% of annual turnover too high. The analysis was significant, $F(1, 60) = 7.79$, $*p < .05$ ($r = .34$). The male respondents' rated levy rate charged at 0.25% too high higher ($M = 3.88$, $SD = 1.18$) than female respondents' ($M = 2.82$, $SD = 0.98$).

Levy introduced during economic slowdown (untimely introduction of levy)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy introduced during economic slowdown. The analysis was significant, $F(1, 59) = 11.65$, $*p < .05$ ($r = .41$). The male respondents' rated levy introduced during economic slowdown higher ($M = 4.08$, $SD = 1.18$) than female respondents' ($M = 2.91$, $SD = 0.94$).

Hypothesis ($H_{2\text{-}4}$) - Gender

Hypothesis ($H_{2\text{-}4}$) stating that gender has no significant influence on the de-motivating factors was rejected when testing against the following de-motivating factor variables namely: *perceived high levy rate and untimely introduction of levy*. The null hypothesis ($H_{2\text{-}4}$) was therefore rejected by the above mentioned de-motivating factor variables.

Male respondents' when compared to their female counterparts had significant differences on the de-motivating factor dimension, levy rate charged at 0.25% of annual turnover is too high. In hypothesis (H_{2-3}), differences only occurred between managers and others and as the females occupy less managerial positions in the Gambia industry, it is arguable that the female respondents' formed the majority in the Others category in H_{2-3}. It is once more reiterated here that females are more receptive to the levy contribution.

There is also a strong difference between the male and female respondents' in the untimely introduction of levy. The male respondents had a much stronger view that the levy was introduced during economic slowdown. Because the Gambia is a highly masculine society, an outcry from the male gender would result to swift response and thus the immediate seizure of the levy in 2007. There is lack of strong support to the levy from the Managing Directors and Managers who are predominantly of the male gender.

Results for sector body membership (Hypothesis H_{2-5})

Hypothesis (H_{2-5}) stating that sector body membership has no significant difference on the de-motivating factor variables was retained. All the de-motivating factor variables when tested against sector body membership demographic dimension showed no significant difference and therefore the null hypothesis (H_{2-5}) was retained.

Results for years of sector body membership (Hypothesis H_{2-6})

Hypothesis (H_{2-6}) was not tested because the researcher decided to remove the item from the rest of the data due to high amount of missing values (71%) on the item.

Results for number of employees in business (Hypothesis H_{2-7})

Table 4.20. *Significant de-motivating factor dimensions against number of employees*

		Sum of Squares	df	Mean Square	F	Sig.
Levy is interest to government	Between Groups	8.786	1	8.786	5.581	.021
	Within Groups	92.886	59	1.574		
	Total	101.672	60			
Levy purely another form of tax	Between Groups	6.541	1	6.541	6.234	.015
	Within Groups	60.859	58	1.049		
	Total	67.400	59			

$*p < .05$

Table 4.21. *Descriptive – significant motivational factor dimensions against number of employees*

	Categories	N	Mean	Std. Deviation
Levy is interest to government	1-15 employees	31	3.23	1.230
	16+ employees	30	2.47	1.279
	Total	61	2.85	1.302
Levy purely another form of tax	1-15 employees	31	3.58	1.119
	16+ employees	29	4.24	.912
	Total	60	3.90	1.069

Levy is interest to government (Levy Act perceived imposition)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy are interest to government. The analysis was significant, $F(1, 59) = 5.58$, $*p < .05$ ($r = .29$). The respondents' within the category (1-15 employees) rated levy is interest to government higher ($M = 3.23$, $SD = 1.23$) than the respondents' within the 16+ employees category ($M = 2.47$, $SD = 1.28$).

Levy purely another form tax (Perceived tax burden by employers)

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on levy purely another form of tax. The analysis was significant, $F(1, 58) = 6.23$, $*p < .05$ ($r = .31$). The respondents' within the category (16+ employees) rated levy purely another form of tax higher ($M = 4.24$, $SD = 0.91$) than the respondents' within the 1-15 employees category ($M = 3.58$, $SD = 1.12$).

Hypothesis ($H_{2\text{-}7}$) - Number of employees in business

Hypothesis ($H_{2\text{-}7}$) stating that number of employees has no significant influence on the de-motivating factors was rejected when tested against the following de-motivating factor variables: *levy Act perceived imposition and perceived tax burden by employers.* The null hypothesis ($H_{2\text{-}7}$) was therefore rejected by the above mentioned de-motivating factor variables.

For the purposes of this study, the size of businesses was determined by the number of employees. Two categories were provided: the first category (1-15 employees) was designed for small businesses whilst the second category (16+ employees) for large businesses. Small businesses were of the opinion that the levy contribution is purely interest to government thus the perceived imposition of the levy Act. On the other hand, large businesses were of the opinion that the levy is another form of tax and therefore is perceived as a tax burden.

Results for years of business operation (Hypothesis $H_{2\text{-}8}$)

Hypothesis ($H_{2\text{-}8}$) stating that years of business operation has no significant difference on the de-motivating factor variables was retained. All the de-motivating factor variables when tested against years of business operation demographic dimension showed no significant difference and therefore the null hypothesis ($H_{2\text{-}8}$) was retained.

Summary of Results for Hypothesis – H_2 (De-motivating Factors)

Table 4.22 below provides summary of the results for hypothesis (H2), which is inclusive of all the sub-hypothesis (H_{2-1} – H_{2-8}) for the de-motivating factors. The results show that the following sub-hypothesis; position in business (H_{2-3}); respondents' gender (H_{2-4}) and number of employees in business (H_{2-7}) were significantly different based on the demographic dimensions and were rejected.

Table 4.22. *Summary of results for hypothesis – H_2*

H_2: There are no significant differences on de-motivating factors based on the demographic factors				
Sub-hypothesis	Results – De-motivating Factors	Sig.	Status	Comments
H_{2-3} Position in business	• levy Act perceived imposition; • perceived high levy rate; • perceived tax burden by employers • levy taxed on annual turnover	*$p < .05$	Rejected (p. 68-70)	• Private sector views training levy as yet another form of tax (Johanson, 2001)
H_{2-4} Respondents gender	• perceived high levy rate • untimely introduction of levy.	*$p < .05$	Rejected (p. 73-74)	• Premature introduction of levy systems (Ziderman, 2001)
H_{2-7} Number of employees	• levy Act perceived imposition • perceived tax burden by employers.	*$p < .05$	Rejected (p. 76)	
H_{2-1} Business registration status	None	*$p > .05$	Retained	
H_{2-2} Results for economic sector	None	*$p > .05$	Retained	
H_{2-5} Results for sector body membership	None	*$p > .05$	Retained	
H_{2-6} Years of sector body membership	None	*$p > .05$	Retained	
H_{2-8} Years of operation of business	None	*$p > .05$	Retained	

Employer Contribution Factors

A descriptive statistics of employer contribution factors in descending order of the means measure is provided in Table 4.23 below. The item means and standard deviations are provided for each of the four (4) dimensions. A factor mean (3.57) for the overall group is also presented in the table.

Table 4.23. *Employer contribution dimensions in descending order of the means measure*

Employer Contribution Dimensions	N	Mean	Std. Deviation	Factor Mean
All inclusive contribution to the financing of skills training	**60**	**4.23**	**1.064**	
Business will voluntarily contribute to levy	60	3.55	1.048	**2.91**
Business never anticipated in fulfilling its obligations	60	2.17	1.092	
Business has no corporate social responsibility to the citizenry	**60**	**1.67**	**1.003**	

The dimensions with highest mean measure, *all inclusive contribution to the financing of skills training*, is an indication of majority view for all stakeholders and beneficiaries to contribute to skills training and development. Durango (2002) and Bhuwanee (2004) argued that as funding for TVET is an investment, it must be shared among government, industry, the community and the learner, with the involvement and contribution of volunteers and NGO's.

The lowest ranked dimension is *business has no corporate social responsibility to the citizenry.* In other words, the lower ranking is an indication that business has a corporate social responsibility to its citizenry and would contribute to national skills training and development. There is also the demonstration of willingness for voluntary contribution to the levy, which is ranked second in the list.

Analysis of Results for Hypothesis – H_3 (Employer Contribution)

A one-way analysis of variance (ANOVA) was calculated for all the demographic dimensions against employer contribution factors. Only significant results were presented in this section for analysis. As group results were bulky, it will be provided to interested audience on request. An Alpha level of .05 was used for all statistical tests and *r* was calculated as the effect size (Rosenthal, 1991).

Results for business registration (Hypothesis $H_{3\text{-}1}$)

Table 4.24. *Significant employer contribution factors against business registration*

Employer Contribution Dimensions		Sum of Squares	df	Mean Square	F	Sig.
Business never anticipated in fulfilling its obligations	Between Groups	5.553	1	5.553	4.993	.029
	Within Groups	63.396	57	1.112		
	Total	68.949	58			
All inclusive contribution to the financing of skills training	Between Groups	8.573	1	8.573	8.410	.005
	Within Groups	58.105	57	1.019		
	Total	66.678	58			

$*p < .05$.

Table 4.25. *Descriptives – significant employer contribution factors against business registration*

Employer Contribution Dimensions		N	Mean	Std. Deviation
Business never anticipated in fulfilling its obligations	Limited Liability	40	1.98	.974
	Others	19	2.63	1.212
	Total	59	2.19	1.090
All inclusive contribution to the financing of skills training	Limited Liability	40	4.50	.751
	Others	19	3.68	1.416
	Total	59	4.24	1.072

Business never anticipated in fulfilling its obligations

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on business never anticipated in fulfilling its obligations. The analysis was significant, $F(1, 57) = 4.99$, $*p < .05$ ($r = .28$). The Others respondents' rated business never anticipated in fulfilling its obligations higher ($M = 2.63$, $SD = 1.21$) than the Limited Liability respondents' ($M = 1.98$, $SD = 0.97$).

All inclusive contribution to the financing of skills training

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings all inclusive contribution to the financing of skills training. The analysis was significant, $F(1, 57) = 8.41$, $*p < .05$ ($r = .36$). The Limited Liability respondents' rated all inclusive contribution to the financing of skills training higher ($M = 4.50$, $SD = 0.75$) than the Others category ($M = 3.68$, $SD = 1.42$).

Hypothesis (H_{3-1}) - Business registration status

Hypothesis (H_{3-1}) stating that business registration has no significant influence on the employer contribution factors was rejected when tested against *business never anticipated in fulfilling its obligations and all inclusive contribution to the financing of skills training*. The null hypothesis (H_{3-1}) was therefore rejected.

The Others registration status showed greater commitment in fulfilling their obligations towards the levy contribution than the Limited Liability businesses. However, the total mean score (2.19) for the item is a sign of lethargy from businesses in fulfilling their obligations towards the levy contribution even though the results show significant difference between the two groups.

The all inclusive contribution to the financing of skills training, calls for a contribution mechanism that covers all stakeholders. The two categories show significant differences with Limited Liability demonstrating strong support (mean of 4.50) to such a policy.

Results for economic sector (Hypothesis $H_{3\text{-}2}$)

Hypothesis ($H_{3\text{-}2}$) stating that economic sector has no significant difference on the employer contribution factors was retained. All the employer contribution factors when tested against economic sector demographic dimension showed no significant difference and the null hypothesis ($H_{3\text{-}2}$) was retained.

Results for position in business (Hypothesis $H_{3\text{-}3}$)

Table 4.26. *Significant employer contribution factors against position in business*

Employer Contribution Dimensions		Sum of Squares	df	Mean Square	F	Sig.
Business will voluntarily contribute to levy	Between Groups	9.933	2	4.966	5.083	.009
	Within Groups	54.711	56	.977		
	Total	64.644	58			
All inclusive contribution to the financing of skills training	Between Groups	8.496	2	4.248	4.127	.021
	Within Groups	57.639	56	1.029		
	Total	66.136	58			

$*p < .05$

Table 4.27. *Descriptive – significant employer contribution factors against position in business*

Employer Contribution Dimensions	Categories	N	Mean	Std. Deviation
Business will voluntarily contribute to levy	Managing Director	15	3.27	1.163
	Manager	26	4.00	.980
	Others	18	3.11	.832
	Total	59	3.54	1.056
All inclusive contribution to the financing of skills training	Managing Director	15	4.87	.352
	Manager	26	3.96	1.216
	Others	18	4.06	1.056
	Total	59	4.22	1.068

Table 4.28. *Comparison of employer contribution factors against gender*

Dependent Variable	(I) Position in Business	(J) Position in Business	Mean Difference (I-J)	Std. Error	Sig.
Business will voluntarily contribute to levy	Managing Director	Manager	-.733	.320	.082
		Others	.156	.346	.904
	Manager	Managing Director	.733	.320	.082
		Others	.889*	.303	.018
	Others	Managing Director	-.156	.346	.904
		Manager	-.889*	.303	.018
All inclusive contribution to the financing of skills training	Managing Director	Manager	.905*	.329	.029
		Others	.811	.355	.082
	Manager	Managing Director	-.905*	.329	.029
		Others	-.094	.311	.955
	Others	Managing Director	-.811	.355	.082
		Manager	.094	.311	.955

$^*p < .05$.

Business will voluntarily contribute

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on Business will voluntarily contribute to levy. The analysis was significant, $F(2, 56) = 5.08$, $*p < .05$ ($r = .29$). The Managers rated business will voluntarily contribute to the levy higher ($M = 4.00$, $SD = 0.98$) than Managing Directors ($M = 3.27$, $SD = 1.16$) and Others ($M = 3.11$, $SD = 0.83$).

All inclusive contribution to the financing of skills training

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings all inclusive contribution to the financing of skills training. The analysis was significant, $F(2, 56) = 4.13$, $*p < .05$ ($r = .236$). The Managing Directors and rated all inclusive contribution to the financing of skills training higher ($M = 4.87$, $SD = 0.35$) than the Others ($M = 4.06$, $SD = 1.06$) and Managers category ($M = 3.96$, $SD = 1.22$).

Hypothesis ($H_{3\text{-}3}$) - Position in business

Hypothesis ($H_{3\text{-}3}$) stating that position in business has no significant influence on the employer contribution factors was rejected when tested against *business will voluntarily contribute to the levy and all inclusive contribution to the financing of skills training*. The null hypothesis ($H_{3\text{-}3}$) was therefore rejected.

From Table 4.28, Managers and Others had significant differences. However, the Managing Directors were not significantly different with the managers nor the Others category. The difference between Managers and Others category could be attributed to the fact the Managers are more informed about the implications of the levy than the Others category and therefore could be more sympathetic to the current status of skills shortages in the Gambia.

Again, all inclusive contribution to financing of skills training has been found to be significant. In this case, Managing Director and the Manager were found to have significant differences. The results show Managing Directors strongly support for an all inclusive contribution to financing skills training followed by the Others category.

Results for gender (Hypothesis $H_{3\text{-}4}$)

Hypothesis ($H_{3\text{-}4}$) stating that gender has no significant difference on the employer contribution factors was retained. All the employer contribution factors when tested against gender demographic dimension showed no significant difference and the null hypothesis ($H_{3\text{-}4}$) was retained.

Results for sector body membership (Hypothesis $H_{3\text{-}5}$)

Table 4.29. *Significant employer contribution factors against sector body membership*

Employer Contribution Dimensions		Sum of Squares	df	Mean Square	F	Sig.
Business will voluntarily contribute to levy	Between Groups	4.390	1	4.390	4.212	.045
	Within Groups	60.460	58	1.042		
	Total	64.850	59			

*p < .05

Table 4.30. *Descriptive – Significant employer contribution factors against sector body membership*

Employer Contribution Dimensions	Categories	N	Mean	Std. Deviation
Business will voluntarily contribute to levy	Yes	19	3.95	.705
	No	41	3.37	1.135
	Total	60	3.55	1.048

Business will voluntarily contribute to levy

A One-way Analysis of Variance (ANOVA) was calculated for respondents' ratings on business will voluntarily contribute to levy. The analysis was significant, $F(1, 58) = 4.21$, *$p < .05$ ($r = .26$). Business that are members of sector bodies rated business will voluntarily contribute to levy higher ($M = 3.95$, $SD = 0.71$) than the non-sector body members ($M = 3.37$, $SD = 1.14$).

Hypothesis (H_{3-5}) - Sector body membership

Hypothesis (H_{3-5}) stating that sector body membership has no significant influence on the employer contribution factors was rejected when tested against *business will voluntarily contribute to levy*. The null hypothesis (H_{3-5}) was rejected.

It is until recent that sector bodies or business associations are being established in the Gambia as compared to other countries in the sub region (Senegal and Ghana). Those sector bodies that were established such as the teachers and tourism associations have not been highly influential in lobbying for the welfare of their sectors. The results of the study show that businesses that are members of a sector body are more likely to voluntarily contribute to the levy than businesses that are non-sector body members.

Results for years of sector body membership (Hypothesis H_{3-6})

Hypothesis (H_{3-6}) was not tested because the researcher decided to remove the item from the rest of the data due to high amount of missing values (71%) on the item.

Results for number of employees (Hypothesis H_{3-7})

Hypothesis (H_{3-7}) stating that number of employees has no significant difference on the employer contribution factors was retained. All the employer contribution factors when tested against number of employee demographic dimension showed no significant difference and therefore the null hypothesis (H_{3-7}) was retained.

Results for years of operation (Hypothesis H_{3-8})

Hypothesis (H_{3-8}) stating that years of operation has no significant difference on the employer contribution factors was retained. All the employer contribution factors when tested against years of operation demographic dimension showed no significant difference and therefore the null hypothesis (H_{3-8}) was retained.

Summary of Results for Hypothesis – H_3 (Employer Contribution)

Table 4.31. below provides summary of the results for hypothesis (H_3), which is inclusive of all the sub-hypothesis (H_{3-1} – H_{3-8}) for the employer contribution dimensions. The results show that the following sub-hypothesis; Business registration status (H_{3-1}); position in business (H_{3-3}); and sector body membership (H_{3-5}) were significantly different based on the demographic dimensions and were rejected.

Table 4.31. *Summary of results for hypothesis – H_3*

H_3: There are no significant differences on employer contribution dimensions based on the demographic factors

Sub-hypothesis	Results – Employer Contribution Dimensions	Sig.	Status	Comments
H_{3-1} Business registration status	• Business never anticipated in fulfilling its obligations • All inclusive contribution to the financing of skills training	$^*p < .05$	Rejected (p. 81)	• TVET funding shared among government, industry, the community and the learner, with the involvement and contribution of volunteers and NGO's (Durango, 2002 and Bhuwanee, 2004))
H_{3-3} Position in business	• Business will voluntarily contribute to the levy • All inclusive contribution to the financing of skills training	$^*p < .05$	Rejected (p. 83-84)	• Managing Directors strongly support for an all inclusive contribution to financing skills training
H_{3-5} Results for sector body membership	• Business will voluntarily contribute to levy	$^*p < .05$	Rejected (p. 86)	• Businesses that are members of a sector body are more likely to voluntarily contribute to a levy.

(*table continues*)

Table 4.31. (continued)

Sub-hypothesis	Results – Employer Contribution Dimensions	Sig.	Status	Comments
$H_{3\text{-}4}$ Respondents gender	None	$p > .05$	Retained	
$H_{3\text{-}7}$ Number of employees	None	$p > .05$	Retained	
$H_{3\text{-}2}$ Results for economic sector	None	$p > .05$	Retained	
$H_{3\text{-}6}$ Years of sector body membership	None	$p > .05$	Retained	
$H_{3\text{-}8}$ Years of operation of business	None	$p > .05$	Retained	

Analysis of Results for Hypothesis – H_4 (Employer Contribution)

A stepwise linear regression was calculated for the motivational factors against employer contribution dimensions (*business will voluntarily contribute to levy*, *business never anticipated in fulfilling its obligations, business has no corporate social responsibility to the citizenry and all inclusive contribution to the financing of skills training).* Only significant results are presented in this section for analysis. As group results are bulky, it will be provided to interested audience on request.

Results for business will voluntarily contribute to levy - (Hypothesis $H_{4\text{-}1}$)

Table 4.32. *Regression summary - Business will voluntarily contribute to levy*

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.540[a]	.291	.278	.893	.291	22.585	1	55	.000

a. Predictors: (Constant), Levy exemption policy for training

Table 4.33. *Regression coefficients – Business will voluntarily contribute to levy*

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	*t*	Sig.
1	(Constant)	1.641	.425		3.866	.000
	Levy exemption policy for training	.500	.105	.540	4.752	.000

a. Dependent Variable: Business will voluntarily contribute to levy

Levy exemption policy for training

A regression analysis of variance was calculated and shown on Table 4.32 for respondents' ratings on levy exemption policy. The coefficient for levy exemption policy for training was significantly different from 0 using alpha of .05 because its *p*-value was smaller than .05.

The R Square is an overall measure of the strength of association between the dependent and independent variables. Table 4.32. shows that 29.1% of the proportion of variance in the dependent variable (business will voluntarily contribute to levy) can be accounted for by the independent variable (levy exemption policy for training).

As indicated in Table 4.33. for every increase of one point of the independent variable (levy exemption policy for training), is predicted to be increased by .50 of the dependent variable (business voluntary contribution of levy). This is significantly different from 0.

The null Hypothesis ($H_{4\text{-}1}$) stating that motivational factors do not influence business voluntary contribution to the levy when tested against *levy exemption policy for training was* therefore rejected.

The motivational factor, *levy exemption policy,* has influence on business voluntary contribution to the levy. This is an indication that businesses prefer not to contribute to the levy but rather be conducting their own staff training and benefitting from a tax rebate. Business exemption policy exists in many SSA countries; however, the management and regulation of such a system can be challenging.

Results for business anticipation in fulfilling their obligations - (Hypothesis $H_{4\text{-}2}$)

Table 4.34. *Regression summary – Business never anticipated in fulfilling its obligations*

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.284[a]	.080	.064	1.045	.080	4.813	1	55	.032
2	.385[b]	.148	.117	1.016	.068	4.287	1	54	.043
3	.492[c]	.242	.199	.967	.094	6.566	1	53	.013

a. Predictors: (Constant), Evasion on levy contribution

b. Predictors: (Constant), Evasion on levy contribution, Feedback on fund allocation

c. Predictors: (Constant), Evasion on levy contribution, Feedback on fund allocation, Public institution contribution to levy

Table 4.35. *Regression analysis of variance – Business never anticipated in fulfilling its obligations*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.260	1	5.260	4.813	.032[a]
	Residual	60.108	55	1.093		
	Total	65.368	56			
2	Regression	9.681	2	4.840	4.694	.013[b]
	Residual	55.687	54	1.031		
	Total	65.368	56			
3	Regression	15.819	3	5.273	5.640	.002[c]
	Residual	49.549	53	.935		
	Total	65.368	56			

a. Predictors: (Constant), Evasion on levy contribution

b. Predictors: (Constant), Evasion on levy contribution, Feedback on fund allocation

c. Predictors: (Constant), Evasion on levy contribution, Feedback on fund allocation, Public institution contribution to levy

d. Dependent Variable: Business never anticipated in fulfilling its obligations

Table 4.36. *Regression coefficients – Business never anticipated in fulfilling its obligations*

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	*t*	Sig.
1	(Constant)	1.501	.308		4.872	.000
	Evasion on levy contribution	.278	.127	.284	2.194	.032
2	(Constant)	2.651	.631		4.202	.000
	Evasion on levy contribution	.277	.123	.283	2.249	.029
	Feedback on fund allocation	-.271	.131	-.260	-2.070	.043
3	(Constant)	2.313	.615		3.761	.000
	Evasion on levy contribution	.246	.118	.251	2.088	.042
	Feedback on fund allocation	-.438	.141	-.420	-3.113	.003
	Public institution contribution to levy	.313	.122	.347	2.562	.013

a. Dependent Variable: Business never anticipated in fulfilling its obligations

Evasion on levy contribution, feedback on fund allocation and public institution contribution to levy

A regression analysis of variance was calculated for respondents' ratings on evasion on levy contribution, feedback on fund allocation and public institution contribution to levy. The results for all three variables were significantly using alpha of .05 because their *p*-values were smaller than .05.

The R Square is an overall measure of the strength of association between the dependent and independent variables. Table 4.34. show that 8%; 14.8% and 24.2% of the proportion of variance in the dependent variables (business never anticipated in fulfilling its obligations) can be accounted for by the independent variables (evasion on levy contribution, feedback on fund allocation and public institution contribution to levy respectively).

The last portion of Table 4.36. shows that, for (1) every increase of one point of the independent variable (evasion on levy contribution), while controlling the other two independent variables is predicted to be increased .246 point of dependent variable (business never anticipated in fulfilling its obligations), (2) every increase of one point of the independent variable (feedback on fund allocation) while controlling the other two independent variables is predicted to be decreased .438 point of dependent variable (business never anticipated in fulfilling its obligations), and (3) every increase of one point of the independent variable (public institution contribution to levy) while controlling the other two independent variables is predicted to be increased .313 point of dependent variable (business never anticipated in fulfilling its obligations). They are significantly different from 0.

Hypothesis (H_{4-2}) stating that motivational factors do not influence business anticipation in fulfilling their obligations to levy contribution was rejected when tested against *evasion on levy contribution, feedback on fund allocation and public institution contribution to levy.* The null hypothesis (H_{4-2}) was rejected because the coefficients for each of the variables were significantly different from 0.

The results show an association between business never anticipated in fulfilling its obligations with evasion on levy contribution, feedback on fund allocation and public institution contribution to levy. Businesses will not anticipate fulfilling their obligations towards contributing to the levy if: (1) evasion to contribute to the levy is reduced (i.e. the more evasion to contribution is reduced the less anticipation in contributing); (2) feedback on fund allocation are provided; (3) a policy on public institutions to contribute to the levy is put in place.

The results are in support to the argument that as funding for TVET is an investment, it must be shared among government, industry, the community and the learner, with the involvement and contribution of volunteers and NGO's (Durango, 2002 and Bhuwanee, 2004).

Results for business corporate social responsibility to the citizenry - (Hypothesis $H_{4\text{-}3}$)

Table 4.37. *Regression summary – Business has no corporate social responsibility*

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.379[a]	.143	.128	.930	.143	9.207	1	55	.004
2	.466[b]	.217	.189	.897	.074	5.114	1	54	.028

a. Predictors: (Constant), Levy charged at 2% of employer payroll bill

b. Predictors: (Constant), Levy charged at 2% of employer payroll bill, Evasion on levy contribution

Table 4.38. *Regression analysis of variance – Business has no corporate social responsibility*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.960	1	7.960	9.207	.004[a]
	Residual	47.549	55	.865		
	Total	55.509	56			
2	Regression	12.073	2	6.037	7.505	.001[b]
	Residual	43.436	54	.804		
	Total	55.509	56			

a. Predictors: (Constant), Levy charged at 2% of employer payroll bill

b. Predictors: (Constant), Levy charged at 2% of employer payroll bill, Evasion on levy contribution

c. Dependent Variable: Business has no corporate social responsibility to the citizenry

Table 4.39. *Regression coefficients – Business has no corporate social responsibility*

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	*t*	Sig.
1	(Constant)	5.189	.292		17.773	.000
	Levy charged at 2% of employer payroll bill	-.277	.091	-.379	-3.034	.004
2	(Constant)	5.696	.360		15.826	.000
	Levy charged at 2% of employer payroll bill	-.268	.088	-.366	-3.033	.004
	Evasion on levy contribution	-.246	.109	-.273	-2.261	.028

a. Dependent Variable: Business has no corporate social responsibility to the citizenry

Levy charged at 2% of employer payroll bill and evasion on levy contribution

A regression analysis of variance was calculated for respondents ratings on levy charged at 2% of employer payroll bill and evasion on levy contribution. The results for the two variables are significantly different from 0 using alpha of .05 because their *p*-values are smaller than.05

The R Square is an overall measure of the strength of association between the dependent and independent variables. Table 4.37 show that 14.3% and 21.7% of the proportion of variance in the dependent variables (business has no corporate social responsibility) can be accounted for by the independent variables (levy charged at 2% of employer payroll bill and evasion on levy contribution respectively).

The last portion of Table 4.39. shows that, (1) for every increase of one point of the independent variable (levy charged at 2% of employer payroll bill), while controlling the other independent variable is predicted to be decreased .268 of the dependent variable (business has no corporate social responsibility to the citizenry), (2) for every increase of one point of the independent variable (evasion on levy contribution), while controlling the other independent variable is predicted to be decreased .246 of the dependent variable (business has no corporate social responsibility to the citizenry). They are significantly different from 0.

Hypothesis ($H_{4\text{-}3}$) stating that motivational factors do not influence business has no corporate social responsibility to the citizenry was rejected when tested against *levy charged at*

2% of employer payroll bill and evasion on levy contribution. The null hypothesis ($H_{4\text{-}3}$) was rejected because the coefficients for each of the variables are significantly different from 0.

The results showed an association between businesses has no corporate social responsibility to the citizenry with levy charged at 2% of employer payroll bill and evasion on levy contribution. Businesses with no corporate social responsibility were less responsive to the levy charged at 2% of employer payroll bill and were more likely to evade on the levy contribution.

Results for an all inclusive contribution to the financing of skills training - (Hypothesis $H_{4\text{-}4}$)

Table 4.40. *Regression summary – An all inclusive contribution to the financing of skills training*

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.510[a]	.260	.247	.924	.260	19.346	1	55	.000
2	.582[b]	.338	.314	.882	.078	6.377	1	54	.015
3	.626[c]	.392	.358	.853	.054	4.705	1	53	.035
4	.662[d]	.438	.395	.829	.046	4.217	1	52	.045

a. Predictors: (Constant), Provision of formal and non-formal training

b. Predictors: (Constant), Provision of formal and non-formal training, Government access to levy

c. Predictors: (Constant), Provision of formal and non-formal training, Government access to levy, Open decision making process

d. Predictors: (Constant), Provision of formal and non-formal training, Government access to levy, Open decision making process, Public institution contribution to levy

Table 4.41. *Regression analysis of variance – An all inclusive contribution to the financing of skills training*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.526	1	16.526	19.346	.000[a]
	Residual	46.983	55	.854		
	Total	63.509	56			
2	Regression	21.489	2	10.744	13.808	.000[b]
	Residual	42.020	54	.778		
	Total	63.509	56			
3	Regression	24.915	3	8.305	11.405	.000[c]
	Residual	38.594	53	.728		
	Total	63.509	56			
4	Regression	27.810	4	6.953	10.127	.000[d]
	Residual	35.698	52	.687		
	Total	63.509	56			

a. Predictors: (Constant), Provision of formal and non-formal training

b. Predictors: (Constant), Provision of formal and non-formal training, Government access to levy

c. Predictors: (Constant), Provision of formal and non-formal training, Government access to levy, Open decision making process

Table 4.42. *Regression coefficients – Business has no corporate social responsibility*

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	*t*	Sig.
1	(Constant)	2.459	.432		5.691	.000
	Provision of formal and non-formal training	.481	.109	.510	4.398	.000
2	(Constant)	1.841	.479		3.842	.000
	Provision of formal and non-formal training	.411	.108	.437	3.813	.000
	Government access to levy	.243	.096	.289	2.525	.015
3	(Constant)	1.464	.495		2.956	.005
	Provision of formal and non-formal training	.265	.124	.281	2.132	.038
	Government access to levy	.243	.093	.288	2.602	.012
	Open decision making process	.247	.114	.280	2.169	.035
4	(Constant)	1.502	.481		3.121	.003
	Provision of formal and non-formal training	.459	.153	.486	2.994	.004
	Government access to levy	.292	.094	.346	3.114	.003
	Open decision making process	.262	.111	.297	2.369	.022
	Public institution contribution to levy	-.284	.138	-.319	-2.054	.045

a. Dependent Variable: All inclusive contribution to the financing of skills training

d. Predictors: (Constant), Provision of formal and non-formal training, Government access to levy, Open decision making process, Public institution contribution to levy

e. Dependent Variable: All inclusive contribution to the financing of skills training

Provision of formal and non-formal training; government access to levy; open decision making process and public institution contribution to levy

A regression analysis of variance was calculated for respondents ratings on provision of formal and non-formal training; government access to levy; open decision making process and public institution contribution to levy. The results for the four variables were significantly different from 0 using alpha of .05 because their *p*-values are smaller than .05

The R Square is an overall measure of the strength of association between the dependent and independent variables. Table 4.40 showed that 26%; 33.8%; 39.2% and 43.8% of the proportion of variance in the dependent variables (all inclusive contribution to the financing of skills training) can be accounted for by the independent variables (provision of formal and non-formal training; government access to levy; open decision making process and public institution contribution to levy respectively).

The last portion of Table 4.42. shows that, (1) for every increase of one point of the independent variable (provision of formal and non-formal training), while controlling the other independent variable is predicted to be increased .459 of the dependent variable (all inclusive contribution to the financing of skills training), (2) for every increase of one point of the independent variable (government access to levy), while controlling the other independent variable is predicted to be increased .292 of the dependent variable (all inclusive contribution to the financing of skills training), (3) for every increase of one point of the independent variable (open decision making process), while controlling the other independent variable is predicted to be increased .262 of the dependent variable (all inclusive contribution to the financing of skills training), (4) for every increase of one point of the independent variable (public institution contribution to levy), while controlling the other independent variable is predicted to be decreased .284 of the dependent variable (all inclusive contribution to the financing of skills training). These are significantly different from 0.

Hypothesis (H_{4-4}) stating that motivational factors do not influence all inclusive contribution to the financing of skills training was rejected when tested against *provision of formal and non-formal training; government access to levy; open decision making process and public institution contribution to levy*. The null hypothesis (H_{4-4}) was rejected because the coefficients for each of the variables were significantly different from 0.

The results showed an association between the all inclusive contribution to the financing of skills training with provision of formal and non-formal training; government access to levy; open decision making process and public institution contribution to levy. The increase in provision of formal and non-formal training, government lack of access to levy and open decision making process would result to an all inclusive contribution to the financing of skills training. However, an increase in public institution contribution to the levy would result to a lowering in all inclusive contribution to the financing of skills training. This is indicative that businesses do to want public institutions to contribute to the levy.

Summary of Results for Hypothesis – H_4 (Employer Contribution)

Table 4.43. below provides summary of the results for hypothesis (H_4), which was inclusive of all the sub-hypothesis ($H_{4\text{-}1}$ – $H_{4\text{-}4}$) for the employer contribution dimensions. The results show that the following sub-hypothesis; business will voluntarily contribute to the levy ($H_{4\text{-}1}$); business anticipation in fulfilling its obligations ($H_{4\text{-}2}$); business has no corporate social responsibility to the citizenry ($H_{4\text{-}3}$) and all inclusive contribution to the financing of skills training ($H_{4\text{-}4}$) were significantly different when tested against the motivational factors and were rejected.

Table 4.43. *Summary of results for hypothesis – H_4*

H_4: Motivational factors do not influence employer contribution to the levy

Sub-hypothesis	Results – Motivational Factors	Sig.	Status
$H_{4\text{-}1}$ Business will voluntarily contribute to the levy	• Levy exemption policy for training	*p < .05	Rejected (p. 90)
$H_{4\text{-}2}$ Business anticipation in fulfilling its obligations	• evasion on levy contribution, • feedback on fund allocation • public institution contribution to levy	*p < .05	Rejected (pp. 91-92)
$H_{4\text{-}3}$ Business has no corporate social responsibility to the citizenry	• levy charged at 2% of employer payroll bill • evasion on levy contribution	*p < .05	Rejected (pp. 94-95)
$H_{4\text{-}4}$ All inclusive contribution to the financing of skills training	• Provision of formal and non-formal training • government access to levy • open decision making process • public institution contribution to levy	*p < .05	Rejected (pp.96-98)

Analysis of Results for Hypothesis – H_5 (Employer Contribution)

A stepwise linear regression was calculated for the de-motivating factors against employer contribution dimensions (*business will voluntarily contribute to levy*, *business never anticipated in fulfilling its obligations, business has no corporate social responsibility to the citizenry and all inclusive contribution to the financing of skills training).* Only significant results were presented in this section for analysis. As group results were bulky, it will be provided to interested audience on request.

Results for business will voluntarily contribute to levy - (Hypothesis $H_{5\text{-}1}$)

Hypothesis ($H_{5\text{-}1}$) stating that de-motivating factors do not influence business voluntary contribution to the levy was retained. All the de-motivating factors when tested against the dependent variable (business will voluntarily contribute to levy) showed no significant difference and therefore the null hypothesis ($H_{5\text{-}1}$) was retained.

Results for business anticipation in fulfilling their obligations - (Hypothesis $H_{5\text{-}2}$)

Hypothesis ($H_{5\text{-}2}$) stating that de-motivating factors do not influence business anticipation in fulfilling their obligations was retained. All the de-motivating factors when tested against the dependent variable (business anticipation in fulfilling their obligations) showed no significant difference and therefore the null hypothesis ($H_{5\text{-}2}$) was retained.

Results for business has no corporate social responsibility - (Hypothesis $H_{5\text{-}3}$)

Table 4.44. *Regression summary – Business has no corporate social responsibility*

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.368[a]	.136	.121	.940	.136	9.103	1	58	.004

a. Predictors: (Constant), Levy is interest to government

b. Dependent Variable: Business has no corporate social responsibility to the citizenry

Table 4.45. *Regression analysis of variance – Business has no corporate social responsibility*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.049	1	8.049	9.103	.004[a]
	Residual	51.284	58	.884		
	Total	59.333	59			

a. Predictors: (Constant), Levy is interest to government

b. Dependent Variable: Business has no corporate social responsibility to the citizenry

Table 4. 46. *Regression Coefficients – Business has no corporate social responsibility*

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	*t*	Sig.
1	(Constant)	5.167	.302		17.121	.000
	Levy is interest to government	-.287	.095	-.368	-3.017	.004

a. Dependent Variable: Business has no corporate social responsibility to the citizenry

Levy is interest to government

A regression analysis of variance was calculated for respondents ratings on levy is interest to government. The results for the variable was significantly different from 0 using alpha of .05 because its *p*-values was smaller than .05.

The R Square is an overall measure of the strength of association between the dependent and independent variables. Table 4.44 showed that 13.6% of the proportion of variance in the dependent variable (business has no corporate social responsibility) can be accounted for by the independent variables (levy is interest to government).

Table 4.45. shows that, for every increase of one point of the independent variable (levy is interest to government), is predicted to be decreased by .29 of the dependent variable (business has no corporate social responsibility).

Hypothesis (H_{5-3}) stating that de-motivating factors do not influence business has no corporate social responsibility to the citizenry was rejected when tested against *levy is interest to government.* The null hypothesis (H_{5-3}) was rejected because the coefficient for the variable was significantly different from 0.

The result showed an association between businesses has no corporate social responsibility to the citizenry with levy is interest to government. Businesses with no corporate social responsibility had less interest in the levy because of the negative view that the levy is interest to government and not their businesses.

Results for an all inclusive contribution to the financing of skills training - (Hypothesis H_{5-4})

Table 4.47. *Regression summary –An all inclusive contribution to the financing of skills training*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.332[a]	.110	.095	1.012	.110	7.189	1	58	.010

a. Predictors: (Constant), Businesses overburden with tax payment

b. Dependent Variable: All inclusive contribution to the financing of skills training

Table 4.48. *Regression analysis of variance – An all inclusive contribution to the financing of skills training*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.360	1	7.360	7.189	.010[a]
	Residual	59.374	58	1.024		
	Total	66.733	59			

a. Predictors: (Constant), Businesses overburden with tax payment

b. Dependent Variable: All inclusive contribution to the financing of skills training

Table 4.49. *Regression coefficients – An all inclusive contribution to the financing of skills training*

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	*t*	Sig.
1	(Constant)	2.898	.515		5.630	.000
	Business overburden with tax payment	.326	.121	.332	2.681	.010

a. Dependent Variable: All inclusive contribution to the financing of skills training

Business overburden with tax payment

A regression analysis of variance was calculated for respondents' ratings on business overburden with tax payment. The results of the variable was significantly different from 0 using alpha of .05 because their *p*-values were smaller than .05

The R Square is an overall measure of the strength of association between the dependent and independent variables. Table 4.47. showed that, 11% of the proportion of variance in the dependent variables (all inclusive contribution to the financing of skills training) can be accounted for by the independent variable (business overburden with tax payment).

Table 4.49. shows that, for every increase of one point of independent variable (business overburden with tax payment), is predicted to be increased .326 of the dependent variable (all inclusive contribution to the financing of skills training).

Hypothesis ($H_{5\text{-}4}$) stating that de-motivating factors do not influence all inclusive contribution to the financing of skills training was rejected when tested against *business overburden with tax payment.* The null hypothesis ($H_{5\text{-}4}$) was rejected because the coefficient for the variable was significantly different from 0.

The results clearly show that an all inclusive contribution policy to the financing of skills training would result to overburdened tax-paying businesses which might lead to low levy apathy and non-payment.

Summary of Results for Hypothesis – H_5 (Employer Contribution)

Table 4.50. below provides summary of the results for hypothesis (H_5), which is inclusive of all the sub-hypothesis ($H_{5\text{-}1}$ – $H_{5\text{-}4}$) for the employer contribution dimensions. The results show that the following sub-hypothesis; business has no corporate social responsibility to the citizenry ($H_{5\text{-}3}$) and all inclusive contribution to the financing of skills training ($H_{5\text{-}4}$) were significantly different when tested against the de-motivating factors and were rejected.

Table 4.50. *Summary of results for hypothesis – H_5*

H_5: De-motivating factors do not influence employer contribution to the levy

Sub-hypothesis	Results – De-motivating Factors	Sig.	Status
$H_{5\text{-}1}$ Business will voluntarily contribute to the levy	None	*p > .05	Retained
$H_{5\text{-}2}$ Business never anticipated in fulfilling its obligations	None	*p > .05	Retained
$H_{5\text{-}3}$ Business has no corporate social responsibility to the citizenry	• Levy is interest to government	*p ≤ .05	Rejected (p. 102–103)
$H_{5\text{-}4}$ All inclusive contribution to the financing of skills training	• Business overburden with tax payment	*p ≤ .05	Rejected (p. 104)

CHAPTER V. CONCLUSIONS AND RECOMMENDATIONS

Chapter Overview

This chapter is made up of two major sections. Section I provides a conclusion of the research results. Findings of the research that were of significant importance were detailed out for consideration by key stakeholders interested in the uplifting of skills training and development in the Gambia. Section II provides specific recommendations to the National Training Authority, Department of State for Higher Education, Gambia Revenue Authority and the business representative (Gambia Chamber of Commerce and Industry). Recommendations for future research is also provided.

Conclusion

The study seeks to assess the motivational and de-motivating factors influencing employer contribution to the levy in the Gambia. The motivational factors were adopted from a World Bank Consultancy Report. A quantitative research method is employed for the study and both descriptive and inferential statistics were provided during the analysis stage. A pilot study to test the reliability of the research questionnaire was conducted. The field study was executed and supervised by staff of the NTA in the Gambia. Hypotheses were developed to test the research findings, conclusions of which are provided below.

Motivational factor

The analysis showed in order of preference the motivational factors that have highest influence on business willingness to contribution to the levy: *accountability and transparency of levy system; employer buy-in; perceived benefits from levy; confidence in the training system and levy exemption policy.* It could be concluded that not only do businesses want to know how their contributed funds are utilised but be involved during policy formulation and development. Furthermore, businesses having paid their levy contributions, would want to benefit from the those funds, either directly through training packages for their staff or indirectly through the development of training systems that are accessible and relevant to the needs of the Gambian industry. The anticipated involvement and participation of the private sector in skills development as revealed by the study could lay potential foundations for a sound dialogue and strong commitment from key stakeholders.

De-motivating factors

The results of the research concluded that the most de-motivating factors in order of preference to businesses in contributing to the levy are: *business overburden with tax payment; levy purely another form of tax and levy introduced during economic slowdown*. Most governments in developing countries like the Gambia depend highly on taxation to generate income to meet the costs of basic services for its populace. It is therefore common that businesses feel the brunt of excessive taxation especially when the financing of new institutions like the NTA are put mainly on the shoulders of the private sector.

Although there was no official pronouncement that there was an economic slowdown in 2007 when the levy was introduced, the dimension on business environment reasonably good during levy introduction was given the lowest ranking. This suggests that the economy was not in a boom period. The introduction of a levy during such economic conditions do not help in the successful implementation.

The imposition of the levy on businesses and the levy perceived as interest to government has been ranked as least de-motivating to business. This is contradictory when compared to the most de-motivating factors highlighted above. However, it is not clear why this contradictory ranking of the de-motivating factors but could be attributed to fact that the dimensions on imposition and interest to government are rather sensitive political questions. Therefore, the respondents did not respond to these questions accurately.

Employer contribution

There is conclusive evidence that the most important employer contribution dimension is the *all inclusive contribution to the financing of skills training*. This result supports the findings of the literature review where various researchers and consultants had advocated for the inclusive participation in financing of skills training. From the results, business corporate social responsibility to the citizenry is not an important dimension to measure willingness to contribute to the levy.

Motivational factors based on the demographic dimensions

The findings of the study concluded that businesses with limited liability registration status in the Gambia were significantly different from the rest of other businesses towards the following motivational factors; confidence in training system, accountability and transparency of the levy system, employer buy-in and security of levy proceeds for contribution to the levy.

The limited liability businesses were motivated to contribute to the levy if the NTA provides training to both the formal and informal business and provide feedback on fund allocation that is well documented and understood by all stakeholders. Prior consultation during levy policy development and levy that is put in closed account (only accessible for training use) would encourage them to contribute to the levy.

Managing directors of businesses were motivated to contribute to the levy if prior consultation during levy policy development was done. They would also be motivated if the funds were secured and used for training purposes.

Gender was found to have significant differences based on the motivational factors. It can be concluded that female respondents were more responsive to the following motivational factors than their male counterparts, levy collection regime and the security and stability of funds. The female respondents indicated that despite knowledge of other businesses evading contribution, they were still willing to contribute. They also indicated that if the levy can ensure a secure and sustainable means of funding skills development, it would encouraged them to willingly contribute to the levy.

The study also found that years of operation of the business has significant influence on business contribution to the levy. Young businesses (1–10 years) were motivated to contribute if a payroll levy was introduced. The implications of the results were that small businesses in the Gambia were being forced to pay more proportionally now with the band system than large businesses if the turnover levy was in operation.

Economic sector of business has no influence on employer contribution to the levy as opposed to the notion previously held by the researcher.

De-motivating factors based on the demographic dimensions

Managing directors were found to be de-motivated by all the de-motivating factors (levy Act imposition; perceived high levy rate; perceived tax burden and levy taxed on annual turnover) except one (untimely introduction of levy). The study concluded that managing directors of businesses were de-motivated and were not willing to contribute to the levy because it is purely of interest to government. It is also indicated that if consulted prior to decision, levy would not have been charged at 0.25% annual turnover, which is too high. They were also de-motivated because levy is purely another form of taxation and having charged it on annual turnover is unrealistic and unjustified.

Gender also had significant differences based on the de-motivating factors; perceived high levy rate and untimely introduction of the levy. The research findings concluded that male respondents were de-motivated because of the levy rate charged at 0.25% of annual turnover coupled with the introduction of the levy during economic slowdown.

The study also found that number of employees in the business (size) has significant influence on the de-motivating factors; levy Act perceived imposition and perceived tax burden by employers. Small businesses with 1-15 employees were de-motivated to contribute to the levy because of their perceived belief that the levy is interest to government. However, bigger businesses were also de-motivated because of their perceived belief that levy is purely another form of taxation.

Employer contribution dimensions based on the demographic dimensions

Limited liability registered businesses in the Gambia were significantly different from the rest of other businesses because of their lack of anticipation in fulfilling their obligations towards the levy and the view they upheld on the all inclusive contribution to financing of skills training.

The results concluded that managers were more willing to contribute to the levy than managing directors. This phenomenon is of great concern because decision making to contribute to the levy is mostly the responsibility of managing directors instead of managers.

Businesses that are members of a sector body are also more willing to contribute to the levy than non-sector body members. It is strongly argued that businesses that are members of sector bodies have higher likelihood to contribute to a levy based on their awareness on the needs of the sector in which they operate.

Motivational factors influence on employer contribution dimensions

A levy exemption policy was found to be the only motivational factor that could influence businesses to voluntarily contribute to the levy. From this result, it could be concluded that businesses would welcome the introduction of a levy exemption policy. However, such a policy should be thoroughly investigated. Businesses should be fully sensitised of their requirements in order to avoid problems being encountered as in other SSA countries that have introduced the policy.

Three motivational factors were found to be influential in preventing businesses from anticipating in fulfilling their obligations: tight levy collection regime; accountability and transparency of the levy system and an unrestricted levy coverage system.

During this study, a number of databases on Gambian businesses were reviewed including the list provided by GRA (levy contributors). It is evident that a bulk of Gambian businesses had not contributed to the levy since its enforcement. The evasion of certain businesses in contributing to the levy will certainly not motivate others but rather de-motivate them from contributing to the levy as evident from the findings of the study.

Limited liability businesses showed greater concern on accountability and transparency of the levy system. This is entirely the responsibility of the board and management of the NTA but is being challenged by limited liability businesses however audited accounts and annual reports were submitted to parliament annually for review.

The small businesses showed greater willingness to contribute if the levy contribution included all key stakeholders; the public sector, private sector, NGO's and non-formal businesses.

The current levy Act only covers private businesses with five or more employees. An amendment to the levy Act is required if an unrestricted levy coverage is to be introduced. Implications for an all inclusive policy should be closely studied and understood, as logistical arrangements for this would be huge and complicated.

Levy charged on payroll bill and a tight levy collection regime was found to be motivators for businesses with corporate social responsibility. It is conclusive that businesses with corporate social responsibility have greater preference for a payroll levy than annual turnover. This finding if to be implemented would require further research as the numbers of businesses implementing a corporate social responsibility are not identified in the research.

Businesses having the opinion that the financing of skills training should be an all inclusive affair were motivated by the following motivational factors: confidence in the training system; security of levy proceeds; accountability and transparency of levy system and unrestricted levy coverage. It could therefore be concluded that the introduction of an all inclusive contribution to financing of skills training, confidence in the training system must be built and that the levy funds must be not be accessible by government but used purely for training purposes.

De-motivating factors influence on employer contribution dimensions

The findings concluded that businesses with no corporate social responsibility perceived the levy Act as an imposition and thus de-motivates them from contributing to the levy, indicating that the levy is interest to government. Businesses having the opinion that the financing of skills training should be an all inclusive affair were also de-motivated because they perceived the levy as tax burden. It could be concluded that the two de-motivating factors influencing businesses lack of contribution to the levy were the perceived levy Act imposition and the tax burden.

Recommendations

Based on the conclusions of the research findings the researcher provided recommendations to the National Training Authority, Department of State for Higher Education, the Gambia Revenue Authority and the Gambia Chamber of Commerce and Industry. The recommendations to the aforementioned institutions were based on their mandates and roles corresponding to the activities required to execute those recommendations. It is hope that the NTA will forge strong relationship with the said institutions to ensure effective and efficient implementation of the recommendations listed below.

Recommendations to the National Training Authority

Extensive and prolonged sensitisation programmes be undertaken

The study has revealed private sector's acute lack of knowledge and awareness of the levy system in which they were legally required to contribute. It is also indicative that prior consultation with the private sector was not exhaustive and could not achieve the support required from them. Information dissemination amongst the key stakeholders is a vital necessity for successful implementation of such a programme. It is strongly recommended that extensive and prolonged sensitisation programmes be undertaken with the view to inform the private sector on the levy scheme.

Mechanisms for public access to information regarding management and utilisation of the levy funds

The NTA should develop reporting mechanisms from which all interested parties could get access to information pertaining to the management and utilisation of the levy funds. Such mechanisms would boost public confidence and renew private sector commitment to contribute to the levy.

Revisit Levy Act and provide opportunity for consultative process with the private sector

However, since the levy Act has been perceived as imposition, it is important that the Act be revisited with the view for discussion and amendment to the levy Act for the benefit of all key stakeholders. This will provide the opportunity for a consultative process with the private sector, which they feel has been lacking during the development of the levy.

Immediate implementation of training fund - ensure that eligible applicants benefit

The proposed training fund for employers should be implemented immediately and must ensure that eligible applicants gain access and benefit to the training programmes and packages on offer. Such a process will bring the authority, employers and trainers to a conducive ground for dialogue and collaboration. Through the acquisition of private sector perceived benefit from the levy, they would be motivated to contribute willingly.

Differentiate levy from other tax systems - training tax levy for private sector employees

It is quite difficult to convince the private sector businesses and their managing directors that the levy is not a tax system but it should be possible to differentiate it from other tax systems. If the funds were used purely for training and training related activities, the NTA could argue that the levy is training tax and is being spent on training for private sector employees. In this way, it could be seen in a much subtle form of taxation and would lessen their unwillingness to contribute to the levy.

Mobilise the female employers, to spearhead a vigorous and sustained sensitization campaign

The NTA should mobilise the female employers in the private sector who have shown considerable support to the levy as compared to their male counterparts, to spearhead a vigorous and sustained sensitization campaign amongst their colleagues. Such a campaign should highlight to businesses the importance of the levy in the national drive to skills training and development. It should also be a forum to allow employers to be heard and pertinent issues on training and development discussed.

Recommendations to the Department of State for Higher Education

Organise consultative forums to review and revise and amend redundant the levy Act

As reported earlier, the National Education and Technical Training Levy Act enforced in 2007 to collect 0.25% of annual turnover on businesses employing five (5) or more employees, seized operations 1½ months immediately after it was enforced. The Department of State for Higher Education in collaboration with the NTA should organise consultative forums with the private sector and all other key stakeholders to review and revise the levy Act, which has since been redundant with a view to carryout necessary amendments with immediate effect. As the umbrella Department of State to which NTA is answerable, all legislative issues should be channelled through them for onward transmission to the House of Parliament.

Recommendations to the Department of State for Finance (Gambia Revenue Authority)

Establish a tight levy collection regime

The collection of the levy funds is the responsibility of the GRA under the Department of State for Finance. Based on the results of the study, it is recommended that a tight levy collection regime be established. Such collection processes and procedures should ensure that all those eligible for contribution are made to pay their dues. Once employers are aware that there are no loopholes for contribution to the levy, this would encourage payment as no one would evade contribution.

Provide database of all businesses eligible for contribution to the levy and provide quarterly feedback on levy contributors to the NTA

The GRA could develop database of all businesses that are eligible for contribution to the levy and provide quarterly and annual reports to the NTA. The list of businesses contributing to the levy during the period 2007-2008, totalled to a mere two-hundred and sixty-six (266) businesses as provided by GRA. This list when compared with the MSI database (2243 registered businesses), revealed a huge unexplained gap. The GPPA and GCCI databases also had far more registered businesses than the number that contributed into the levy in the last three years. This situation is of concern if the levy is to provide the requisite funds required to provide the training needed for both the formal and informal sectors of the economy.

Take a lead role in future discussions and/or amendments to the levy Act

It is also recommended that the GRA should take a lead role in future discussions and/or amendments to the levy Act. As the sole collectors of the levy and all other taxes, they should be in an advantaged position to advice government, NTA and the private sector on workable levy systems that would benefit all parties concerned.

Recommendations to the Gambia Chamber of Commerce and Industry

Take a lead role in the setting up of sector bodies for businesses

The study has revealed the importance of businesses' membership to sector bodies in relation to contribution of the levy. Businesses chronic lack of membership to sector bodies was also highlighted in the research findings. The importance of sector bodies in industry's progress and development has been reiterated in the paper. It is recommended that the GCCI should take a lead role in organising businesses in establishing strong sector bodies that will be responsible for the management of their day-to-day activities.

Recommendations for future research

Study be repeated with a view for national coverage of the sample population

Due to the limitations on the research, it is recommended that the study be repeated with a view to expanding the sample population for national coverage. This would ensure opportunity for generalisation of the findings. The methodology should also be revised to include both levy contributors and non-contributors. The non-contributors might have useful information that influences their reluctance to contributing. Such information could be vital in seeking solutions to enhance their willingness to contribute.

Study to assess the impact of the levy on businesses be conducted

As this study was mainly designed to assess the motivational factors applicable to the Gambia, it is recommended that a study to assess the impact of the levy on businesses be conducted. Such a study should also evaluate effects of the current tax systems on businesses in in the Gambia.

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APPENDICES

Appendix A: Employer Research Questionnaire

Assessment of motivational factors for employer contribution to the National Education Technical Training Levy (NETTL) in the Gambia

Research Questionnaire Part A: Private Sector (Employers)

Demographics information – Participant and business										
Please select the registration status of your business?	Sole Owner		Partnership		Limited Liability		Public Limited		Others	
Please select the economic sector that your business operates in?	Construction		Manufacturing		Tourism		Services		Others	
Please select your position in the business?	Proprietor / Shareholder		Supervisor		Manager		Managing Director		Others	
Please indicate your gender?	Male		Female							
Is the business a member of any sector body?	Yes		No							
If <u>yes</u> to above question, how long has it been a member?	Please state number: ……………………………………………………………………………									
How many employees are there in the company?	Please state number: ……………………………………………………………………………									
How long has the company been operating?	Please state number: ……………………………………………………………………………									

Research Questionnaire Part B: Private Sector (Employers)

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

NO	**PART B** *Please tick only one answer in the range Strongly Disagree (1) to Strongly Agree (5) for each of the items*	**1**	**2**	**3**	**4**	**5**
1	Easy access to the skills training fund will give more encouragement to your company to contribute to the levy.					
2	Subsidizing your staff training needs through the skills training and development fund will encourage your company to contribute to the levy.					
3	A national skills training system that provides adequate supply of properly trained workers for industry will encourage your company to contribute to the levy.					
4	A national skills training system that caters for both the formal and informal sector will encourage your company to contribute to the levy.					
5	An open decision making process for the allocation and use of levy funds will encourage your company to contribute to the levy.					
6	A feedback on fund allocation that is well documented and understood by all stakeholders will encourage your company to contribute to the levy.					
7	Prior consultation with companies during levy policy development will encourage your company to contribute to the levy.					
8	Employer sector body support on levy rate reduction will encourage your company to contribute to the n levy.					
9	A levy that also covers public institutions will encourage your company to contribute to the levy.					
10	A levy that also covers NGO's will encourage your company to contribute to the education levy.					
11	Levy exemption policy based on successful implementation of your company's annual staff training programme will be preferred by your company.					

12	Your company prefers to contribute to the levy than conducting annual staff training programmes.					
13	A tight levy collection process which does not allow employers to evade contribution will encourage your company to contribute to the levy.					
14	Because a lot of companies can evade contribution to the levy, your company does not want to contribute to the levy.					
15	If the levy is put in closed accounts and is only accessible for training use, this will encourage your company to contribute to the levy.					
16	Part of the levy is accessible to government for use in other activities different from skills training; this discourages your company to contribute to the levy.					
17	A majority voting right for employers' representatives in the management board of the National Training Authority will encourage your company to contribute to the levy.					
18	A majority voting right for employers' representatives in the skills training fund will encourage your company to contribute to the levy.					
19	Greater decision making autonomy by employers on levy budgetary allocations at NTA board management level will encourage your company to contribute to the levy.					
20	Employers' ability to control skills training budget at NTA management board level will encourage your company to contribute to the levy.					
21	The levy system ensures a secure and sustainable means of funding for skills development and will encourage your company to contribute to the levy.					
22	The levy system ensures stability for skills training and development and will encourage your company to contribute to the levy.					
23	A training levy charged on employers payroll bill is fairer than a levy charged on company annual turnover and will encourage your company to contribute to the levy.					
24	A levy charged at 2% of employer's total payroll bill will encourage your company to contribute to the levy.					

(Please state any additional information/comments you may have on the attached sheet)

Research Questionnaire Part C: Private Sector (Employers)

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

NO	**PART C** *Please tick only one answer in the range Strongly Disagree (1) to Strongly Agree (5) in each of the items*	1	2	3	4	5
1	The levy contribution has been imposed on your business as a way to ensure that you contribute to national skills training.					
2	The levy contribution is purely to the interest of government and not your business.					
3	If your business were consulted the levy would not have been charged on annual turnover.					
4	The levy rate charged at 0.25% of annual turnover is too high for your business to afford.					
5	The levy is purely another form of tax for your business to finance skills development.					
6	Your business is already overburdened with tax payment; bringing in another tax payment only adds more burdens to your business.					
7	The introduction of the Education Levy in 2007 came at a time when there was an economic slowdown for your business.					
8	The Education Levy was introduced in 2007 when your business environment was reasonably good.					
9	A levy charged on annual turnover is unrealistic and unjustified; there is no correlation between training and your company turnover.					
10	The levy charged on annual turnover will only lead your business to bankruptcy when profit margins are low.					

(Please state any additional information/comments you may have on the attached sheet)

Research Questionnaire Part D: Private Sector (Employers)

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

NO	**PART D** *Please tick only one answer in the range Strongly Disagree (1) to Strongly Agree (5) in each of the items*	1	2	3	4	5
1	Your company will voluntarily contribute to levy even if payment was not made compulsory.					
2	Your company never anticipated in fulfilling its obligations to contribute to the levy when payments are due.					
3	Your company does not have any corporate social responsibility to the citizenry and therefore should not pay for national skills training and development.					
4	Government, employers and NGO's should all contribute to the financing of national skills training and development.					

(Please state any additional information/comments you may have on the attached sheet)

Additional information / comments sheet

Part A:

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Part B:

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Part C

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Part D

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Appendix B: Questionnaire Covering Letter

Institute of International Workforce Education and Development

National Taiwan Normal University

162 Heping E. Rd., Sec 1, Taiwan (106)

Mob: 886-9-2847-7745

Fax: 886-2-2351-0454

To: ……………………………………….

……………………………………….

……………………………………….

……………………………………….

Cc: Director General, NTA Date: 19 January 2009

RESEARCH ON EMPLOYER CONTRIBUTION TO FINANCING SKILLS DEVELOPMENT IN THE GAMBIA

Dear Sir/Madam,

The research is designed to examine motivational and de-motivating factors that influence employer voluntary contribution to the National Education and Technical Training Levy (NETTL) in the Gambia. The levy is an act of parliament and requires businesses to pay into it. It is thus important to assess and evaluate those factors that would motivate and/or de-motivate employers in contributing to the levy.

It is anticipated that the study will provide realistic and workable levy system in view of the current economic situation without jeopardising the growth and development of companies that are contributing to the levy. Tangible guidelines will be provided to government and beneficiaries in developing appropriate strategies that would influence private sector positive contribution to the levy.

Companies selected for this study are those that have contributed to the levy and are one way or the other affected by the levy contribution. The questionnaire is ***anonymous*** and any information provided will be treated as ***strictly confidential***. The research is in partial fulfilment of a Masters Degree program by the researcher in Taiwan.

I look forward to your usual support and cooperation and do hope that results generated from this study will help improve Skills Development in the Gambia.

Best Regards

Abdoulie O Jallow

Graduate Student

IWED, NTNU

Taiwan