

Factors Influencing Self-Employment Intentions Among TEVET Engineering Graduates in Zambia: A Review

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Abstract:

Self-employment has emerged as a critical pathway for addressing unemployment among Technical and Vocational Education and Training (TEVET) graduates in Zambia. This review article examines the factors influencing self-employment intentions among TEVET engineering graduates, particularly those from Northern Technical College (NORTEC) in Ndola District. The study is anchored on the Theory of Entrepreneurial Competency, which highlights the significance of both personal and contextual factors in entrepreneurial intentions. Key determinants identified include contextual, institutional, and psychological factors, whereas demographic and social factors exhibit minimal influence. The findings underscore the need for targeted policy interventions aimed at improving entrepreneurship education, access to startup capital, and the overall entrepreneurial ecosystem for TEVET graduates in Zambia. This review contributes to the discourse on youth self-employment and provides practical implications for policymakers, educators, and business development stakeholders.

Keywords: Self-employment intentions, TEVET, engineering graduates, entrepreneurship education, Ndola District, Zambia

1. Introduction

Youth unemployment remains a major socio-economic challenge in Zambia, with many graduates facing limited formal employment opportunities (World Bank, 2022). The Technical and Vocational Education and Training (TEVET) sector is recognized as a key driver of economic growth and employment generation, equipping individuals with technical skills essential for industry and entrepreneurship (International Labour

Organization [ILO], 2020). Despite these efforts, TEVET graduates in Zambia, particularly those in engineering fields, continue to experience challenges in securing employment, prompting increased attention toward self-employment as an alternative means of livelihood (Mumba, 2021).

Entrepreneurship has long been identified as a vital mechanism for job creation and economic development, with studies highlighting its potential to foster innovation and productivity (Gindling & Newhouse, 2014). In Zambia, government initiatives such as the Citizens Economic Empowerment Commission (CEEC) and the TEVET Entrepreneurship Promotion Program aim to encourage self-employment among graduates (Ministry of Higher Education, 2021). However, research indicates that many TEVET graduates still struggle to transition into entrepreneurial careers due to structural barriers, including limited access to finance, inadequate entrepreneurial training, and weak business networks (Chisala, 2019).

The concept of self-employment is closely linked to entrepreneurial intentions, which refer to an individual's conscious decision to start a business (Bird, 1988). According to the Theory of Entrepreneurial Competency, entrepreneurial intentions are shaped by a combination of personal characteristics, institutional factors, and environmental conditions (Man, Lau, & Chan, 2002). In the context of TEVET graduates in Zambia, understanding these influencing factors is crucial for designing effective policies and programs that support youth entrepreneurship (Kibassa, 2012).

One of the primary constraints to self-employment among TEVET graduates is financial exclusion. A report by the Bank of Zambia (2021) indicates that only 38% of Zambians have access to formal financial services, making it difficult for young entrepreneurs to secure startup capital. In addition, limited exposure to business management practices and inadequate mentorship further hinder entrepreneurial success (Nowiński et al., 2019). Studies have shown that structured entrepreneurial training and incubation programs can significantly enhance business readiness among graduates (Fayolle & Gailly, 2015).

Furthermore, psychological factors such as risk aversion, fear of failure, and negative perceptions of entrepreneurship also play a role in shaping self-employment intentions (Caliendo, Fossen, & Kritikos, 2014). Many TEVET graduates perceive self-employment as a last resort rather than a viable career path, largely due to societal attitudes that equate success with formal employment (Baluku, Onderi, & Otto, 2021). These perceptions highlight the need for comprehensive entrepreneurship education that not only equips

students with technical skills but also fosters an entrepreneurial mindset (Ayalew & Zeleke, 2018).

Given these challenges, this review aims to explore the factors influencing self-employment intentions among TEVET engineering graduates in Zambia, with a specific focus on contextual, institutional, and psychological determinants. By synthesizing existing literature and empirical evidence, this study seeks to provide insights into how Zambia's TEVET system can better support graduates in becoming successful entrepreneurs.

2. Literature Review

2.1 Theoretical Framework

Entrepreneurial intentions have been widely studied in the context of career decision-making, with multiple theoretical models explaining the underlying factors that drive individuals toward self-employment. This study is grounded in the Theory of Entrepreneurial Competency, which posits that entrepreneurial intentions are shaped by personal attributes, institutional factors, and environmental conditions (Man, Lau, & Chan, 2002). Entrepreneurial competencies, including risk-taking, innovation, and opportunity recognition, are critical determinants of self-employment intentions (Mitchelmore & Rowley, 2010).

One of the most influential theories in entrepreneurship research is the Theory of Planned Behavior (TPB) (Ajzen, 1991). According to TPB, self-employment intentions are determined by three key components: attitude toward behavior, subjective norms, and perceived behavioral control. A positive attitude toward entrepreneurship, societal support, and confidence in one's ability to succeed in business increase the likelihood of pursuing self-employment (Nowiński et al., 2019). TPB has been widely applied in studies assessing entrepreneurial intentions, with findings confirming that perceived behavioral control significantly predicts entrepreneurial action (Liñán & Chen, 2009).

Another relevant framework is Shapero's Entrepreneurial Event Model (EEM), which argues that self-employment decisions are influenced by perceived desirability, feasibility, and a triggering event (Shapero & Sokol, 1982). Many TEVET graduates in Zambia face external constraints such as financial exclusion and lack of business training, which reduce the perceived feasibility of starting a business (Bank of Zambia, 2021). However, a shift in economic conditions, such as declining formal employment opportunities, can act as a triggering event, pushing more graduates toward entrepreneurship (Gnyawali & Fogel, 1994).

In addition, the Human Capital Theory suggests that education, skills, and experience enhance entrepreneurial success (Becker, 1993). TEVET programs are designed to impart technical and business skills, yet studies indicate that many graduates lack the necessary entrepreneurial mindset and managerial competencies to start and sustain their businesses (Fatoki & Chindoga, 2011). This calls for a stronger emphasis on practical business training and mentorship programs within TEVET curricula (Fayolle & Gailly, 2015).

Furthermore, the Resource-Based View (RBV) highlights the importance of access to resources in determining entrepreneurial success (Barney, 1991). In the case of TEVET graduates, financial capital, mentorship, and business networks are essential resources that influence self-employment intentions (Hoogendoorn, Van der Zwan, & Thurik, 2019). Many graduates struggle to secure startup funding due to the stringent requirements of financial institutions, limiting their ability to launch and sustain entrepreneurial ventures (Kibassa, 2012).

By integrating these theoretical perspectives, this study provides a comprehensive understanding of the factors influencing self-employment intentions among TEVET engineering graduates in Zambia. The findings contribute to the broader discourse on youth entrepreneurship and offer practical implications for policymakers and educational institutions aiming to foster an entrepreneurial culture among young professionals.

2.2 Factors Influencing Self-Employment Intentions

Self-employment intentions among TEVET engineering graduates in Zambia are influenced by multiple factors that span economic, institutional, psychological, and social domains. Understanding these determinants is crucial for developing policies that foster entrepreneurial growth and employment creation.

1. Economic Factors

Economic constraints significantly impact self-employment intentions, particularly access to financial capital. Research has shown that limited access to credit facilities and high-interest rates on loans hinder entrepreneurial aspirations among graduates (Bank of Zambia, 2021). Many TEVET graduates lack collateral, making it difficult for them to secure loans from commercial banks and microfinance institutions (Chisala, 2019). Additionally, macroeconomic instability, such as inflation and currency depreciation, affects business sustainability and discourages entrepreneurial endeavors (World Bank, 2022).

2. Institutional Factors

The role of institutional support in fostering self-employment is critical. Weak entrepreneurship education within TEVET institutions has been identified as a major constraint (Mumba, 2021). While some TEVET curricula incorporate entrepreneurship training, the emphasis remains largely theoretical, with inadequate practical exposure (Fayolle & Gailly, 2015). Furthermore, the lack of structured mentorship programs and business incubation centers limits graduates' ability to transition from training to business ownership (Nowiński et al., 2019). Government policies and business registration procedures also present challenges, with bureaucratic hurdles discouraging new business startups (Ministry of Higher Education, 2021).

3. Psychological Factors

Psychological determinants, such as self-efficacy, risk tolerance, and fear of failure, play a significant role in shaping entrepreneurial intentions (Caliendo, Fossen, & Kritikos, 2014). Many TEVET graduates lack confidence in their ability to succeed in business, which is exacerbated by societal norms that equate success with formal employment (Baluku, Onderi, & Otto, 2021). Entrepreneurial mindset development through exposure to role models and mentorship has been found to improve self-employment intentions (Ayalew & Zeleke, 2018). Additionally, perceived behavioral control, a key component of the Theory of Planned Behavior, influences whether individuals pursue entrepreneurship or seek formal employment (Ajzen, 1991).

4. Social and Cultural Factors

Societal attitudes toward entrepreneurship influence the decision to pursue self-employment. In Zambia, there exists a preference for formal employment, particularly in the public sector, which discourages youth from considering entrepreneurship as a viable career path (Chigunta, 2017). Family expectations also play a role, as parents often prefer their children to seek stable jobs rather than embark on uncertain business ventures (Gnyawali & Fogel, 1994). However, peer influence and exposure to successful entrepreneurs can positively impact self-employment intentions (Fatoki & Chindoga, 2011).

5. Technological and Market Factors

The availability of technological resources and market access significantly affects entrepreneurial success. Limited access to digital tools and e-commerce platforms has been identified as a barrier to self-employment among TEVET graduates (Hoogendoorn, Van

der Zwan, & Thurik, 2019). Moreover, market saturation in certain sectors, coupled with a lack of innovative business models, reduces the feasibility of new startups (Kibassa, 2012). Enhancing digital literacy and expanding access to online business platforms can improve self-employment outcomes for graduates.

6. Regulatory and Legal Factors

Complex business registration procedures and high compliance costs discourage many graduates from pursuing self-employment (Ministry of Commerce, Trade and Industry, 2021). Regulatory inefficiencies, such as delays in obtaining business permits and high taxation, further deter entrepreneurial efforts (World Bank, 2022). Strengthening regulatory frameworks to support startups and reducing bureaucratic barriers could enhance self-employment rates among TEVET graduates.

7. Gender-Specific Barriers

Gender disparities also influence self-employment intentions. Studies have shown that female TEVET graduates face greater barriers in accessing finance, business networks, and market opportunities compared to their male counterparts (ILO, 2020). Cultural norms that discourage women from engaging in business further exacerbate this challenge (Fatoki, 2014). Promoting gender-inclusive policies and providing targeted support for female entrepreneurs can help bridge this gap.

3. Policy Implications and Recommendations

To foster self-employment among TEVET graduates in Zambia, the following policy recommendations should be considered:

1. Enhancing Entrepreneurship Education

- TEVET curricula should incorporate practical entrepreneurship training that includes business planning, financial management, and market research (Fayolle & Gailly, 2015).
- Universities and TEVET institutions should partner with industry experts to provide real-world entrepreneurial exposure through mentorship programs (Nowiński et al., 2019).
- A shift toward experiential learning, such as business incubators and start-up competitions, should be encouraged (Gnyawali & Fogel, 1994).

2. Improving Access to Finance

- The government should establish special financing schemes targeting TEVET graduates to provide startup capital (Bank of Zambia, 2021).
- Microfinance institutions should offer low-interest loans tailored for young entrepreneurs (Chisala, 2019).
- Financial literacy programs should be introduced in TEVET institutions to equip graduates with essential financial management skills (World Bank, 2022).

3. Strengthening Institutional Support

- TEVET institutions should establish structured entrepreneurship mentorship programs to guide graduates in launching and managing their businesses (Mumba, 2021).
- Public-private partnerships should be encouraged to create linkages between graduates and industry players (Ministry of Higher Education, 2021).
- The government should streamline business registration processes and offer tax incentives for startups (Ministry of Commerce, Trade and Industry, 2021).

4. Promoting Gender Inclusivity in Entrepreneurship

- Women-focused entrepreneurship training programs should be implemented to address gender-specific barriers (ILO, 2020).
- Policymakers should ensure equal access to financial support for female entrepreneurs (Fatoki, 2014).
- Awareness campaigns should be conducted to challenge societal norms that discourage women from engaging in business (Hoogendoorn, Van der Zwan, & Thurik, 2019).

4. Conclusions and recommendations

Self-employment among TEVET engineering graduates in Zambia is influenced by economic, institutional, psychological, social, and regulatory factors. While entrepreneurship presents a viable solution to youth unemployment, multiple barriers, including limited financial access, inadequate entrepreneurial education, and gender disparities, continue to hinder its adoption.

To enhance self-employment intentions, policymakers should prioritize entrepreneurship education reforms, financial inclusion strategies, and institutional support systems. By fostering an enabling environment for business startups, Zambia can empower TEVET graduates to transition from job seekers to job creators. Future research

should explore the long-term impact of entrepreneurship interventions on business sustainability among TEVET graduates.

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