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Original Research Article

The Impact of Financial Literacy on the Sustainability of Female Entrepreneurship in the Namibian Cosmetic Industry

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ABSTRACT

This paper analyses the impact of financial literacy on the sustainability of female entrepreneurship in the Namibian cosmetic industry. The aim of the study was to identify the financial literacy challenges faced by female entrepreneurs in Namibia when managing their businesses; to analyse these challenges, and to provide possible solutions to the challenges identified. Previous studies have concentrated on either the overall financial literacy of the Namibian adult population as a whole or the financial literacy of SMEs in general. To this end, the purpose of the study was to investigate the impact of financial literacy skills on the sustainability of female-run enterprises within the Namibian Cosmetic Industry. The study adopted the correlational research design in which data was processed through the use of the STATA 15 statistical software. The results of the study confirmed that the majority of entrepreneurs in Namibia were young female entrepreneurs who are, for the most part, educated. However, the findings of the study revealed that despite the high levels of education among female entrepreneurs, they still lacked the necessary financial literacy skills. For example, female entrepreneurs had lower financial literacy skills as compared to their male counterparts, and this has had a negative impact on the sustainability of their businesses over the years. It is recommended in this study that, as a matter of urgency, the Namibian Cosmetic Industry and interested parties in this matter, make concerted efforts to provide financial literacy education to their members to equip them with financial literate skills to enable their enterprises to be sustainable.

1.1 INTRODUCTION

The global economic crises and technological advances that have affected the financial sector in general, and small and medium enterprises (SMEs) in particular are among the many factors that have brought to the fore, the importance of financial literacy (Huston, 2010). In the same vein, the importance of SMEs in all economies has been highlighted as a crucial contributor to economic growth (Huston, 2010). Different stakeholder groups are encouraging women to be innovative and to use entrepreneurship as a driver for economic growth. Many of these entrepreneurial endeavors fail to survive due to a number of challenges SMEs face in their business pursuits. The primary challenge that female entrepreneurs face is their inability to manage their finances prudently due to a lack of financial literacy skills (Baporikar & Akino, 2020). As a result, a significant majority of SMEs have failed the sustainability test by failing to survive and continue their business operations beyond the five-year mark. It is estimated that 75% of SMEs in Namibia fail within their first year of operation (UNDP, 2015).

Female entrepreneurs' financial literacy skills have been under scrutiny in an attempt to find out how best they can be assisted to manage their finances well to lengthen the lives of their SMEs into the long-term future and to ensure that they are on par with their male counterparts whose businesses survive for longer periods of time (Ministry of Trade, 2015). The Namibian government has made significant efforts to empower female entrepreneurs by equipping them with financial literacy skills in line with the United Nations Development Programme (UNDP) Agenda 2030, which encourages member states to promote female participation in all the economic sectors of their economies in order to reduce and ultimately eliminate gender imbalances (UNDP, 2015).

2.1 SIGNIFICANCE OF THE STUDY

Interventions that have been implemented over the last decade include the Namibian government's implementation of the ten-year financial sector strategic plan, with the support of the Bank of Namibia for the period 2011–2021 (Ministry of Finance, 2011). Despite these policies being implemented and the interventions that were implemented in the past decade, the Ministry of Trade's Policy on Small to Medium Enterprises has emphasized the empowerment of female entrepreneurs with financial literacy skills because it was discovered that this was the major cause of the collapse of female-run SMEs (Ministry of Trade, 2015).

Without adequate and sound financial literacy skills, female entrepreneurs cannot make sound financial decisions, which ultimately affect the growth of their businesses and personal livelihoods (OECD, 2018; Naicker & Nsengimana, 2020). Often, the analysis of business performance is based upon the understanding of financial statements and financial ratios by entrepreneurs (Dahmen & Rodriguez, 2014). Businesses are more likely to collapse if they are owned and/or run by entrepreneurs who cannot interpret the figures that show business performance or analyse the financial statements and financial ratios (Dahmen & Rodríguez, 2014). It has been found that entrepreneurs with financial literacy skills are more likely to be able to run and manage the same business for at least five years (OECD, 2018; Dahmen & Rodriguez, 2014) than those who don't have financial literacy skills.

Previous studies have concentrated on either the overall financial literacy of the population as a whole or the financial literacy of SMEs in general without analyzing the differences based on gender. This study focuses on the cosmetic industry in Namibia, which is an emerging export market with growth potential. The African continent is in an advantaged position in the cosmetic industry due to the vast availability of natural resources and indigenous knowledge, which may provide employment and economic benefits if harnessed correctly (UNDP, 2015).

3.1. LITERATURE REVIEW

Previous scholars who investigated this area could not agree on a single definition of financial literacy (Potrich, Viera, & Kirch, 2015). The absence of a universally accepted definition of financial literacy poses challenges for researchers and practitioners in the industry when it comes to identifying relevant variables. Huston (2010) emphasized the need to define financial literacy to enable appropriate interventions and measurement of the success or failure of entrepreneurs with different levels of financial knowledge. Financial literacy is a term that suggests that the right and relevant financial actions and behaviours of entrepreneurs in an economy are dependent on the financial knowledge and skills they possess if they are to make meaningful and relevant decisions that can enhance the success and sustainability of businesses (OECD, 2011; Potrich, Viera & Kirch, 2015). The financial literacy skills that an entrepreneur or business person possesses are measured by the right financial knowledge, skills, attitudes, and behaviors that one holds. Financial knowledge, skills, and attitudes are necessary for sound financial decision making, which in turn leads to long-term business sustainability. Financial literacy skills give an entrepreneur the confidence needed to make sound financial decisions and, ultimately, the ability to participate in the economic activities of the country (Baporikar & Akino, 2020).

3.1.1 FINANCIAL KNOWLEDGE

Financial knowledge is defined as the cognitive ability needed to make sound financial decisions, such as the selection of financial products that have been identified as important factors in the sustainability of businesses (Huston, 2010). The financial knowledge that an individual possesses is measurable by an individual's ability to correctly define financial concepts, the ability to know where to get money to finance one's business, and the ability to plan and effectively manage finances, among many other examples (Potrich et al., 2016). Literature suggests that there is a disconnect between an individual's perceived financial knowledge and what they know when presented with financial literacy questions (Lusardi, 2019; Barboza et al., 2016). It is noteworthy that people from vulnerable population groups, which include the majority of females, have reported significantly lower levels of financial knowledge and confidence in making financial decisions in comparison to their male counterparts (Lusardi & Mitchel, 2014; Barboza, et al., 2016).

3.1.2 FINANCIAL ATTITUDE

An individual's predisposition can influence his/her financial decisions regardless of the financial knowledge that they possess (Lusardi, 2019; Atkinson& Messy 2012). These predispositions involve how people view their financial knowledge and their perception of money, which may not necessarily translate to sound financial decision-making. Findings from previous research show that respondents to the G20 Financial Literacy Survey, a landmark survey conducted by the OECD, showed that 42% of the participants did not believe in saving money despite their level of financial literacy being modest to high (OECD, 2017). Financial attitudes have been noted to have a significant impact on the financial decisions that people make in their personal and professional capacity. Individuals' perceptions of their financial knowledge are also indicated as factors that influence financial behaviour (Lusardi, 2019).

3.1.3 FINANCIAL BEHAVIOUR

The dominant behaviors that entrepreneurs exhibit when operating a business ultimately determine the sustainability of their businesses and their overall financial well-being (Huston, 2010; OECD, 2017). A correlation was established between financial literacy and the quality of decisions based on the dominant behaviour that an individual entrepreneur exhibits. For example, those entrepreneurs who appear prudent and calculated in the way they manage their money, run more sustainable enterprises (Mashizha, Sibanda & Maumbe, 2019; Lusardi & Mitchel, 2014). Literature also suggests that individuals who have been exposed to certain levels of financial literacy education are more likely to behave wisely when making financial decisions (Mashizha et al., 2019). Definitive behaviour showcasing financial literacy skills includes spending patterns, budgeting, and investments made by individual entrepreneurs (Huston, 2010). Behaviour is therefore a determinant of how well an individual entrepreneur manages his/her finances when operating a business (Houston, 2010).

3.2 FINANCIAL LITERACY CHALLENGES ENCOUNTERED BY FEMALE ENTREPRENEURS

Due to the important role that SMEs play in the growth and development of any economy, it is imperative to reduce or illuminate the challenges that entrepreneurs face. Financial literacy has been identified as one of the empowering factors that can aid the sustainability of female-led enterprises. However, challenges encountered by female entrepreneurs include regulatory and tax barriers, difficulties in accessing finance, and other non-financial obstacles. Research suggests that women lack the knowledge and confidence to make sound financial decisions, which are critical factors to the success of a business (Lusardi & Mitchel, 2014).

3.2.1 REGULATORY AND TAX BARRIERS

The complexity of the regulatory environment can be a serious obstacle, making it difficult for less educated entrepreneurs, including women, to operate their businesses. Formal procedures such as registration and administration of the taxation laws are performed in a language that some of the female entrepreneurs cannot fully comprehend and this disadvantages the lessor educated who are historically and predominantly female (Atkinson, 2017).

3.2.2 DIFFICULTIES IN ACCESSING FINANCE

SMEs struggle to access financing options generally due to the nature of their businesses and the lack of collateral, which predominantly affects female entrepreneurs who do not own property due to historical and current gender biases against women. In a study that was conducted across 21 economies, it was found that women are considered less serious as compared to men when looking for financing options (Atkinson, 2017). The results from a survey of female entrepreneurs in Kigali, Rwanda indicated that it is more difficult for female entrepreneurs to access financing as compared to their male business counterparts. Barriers arise from financial literacy education disparities and the general perception that women should be homemakers or informal traders who should not venture into the formal business sectors (Naicker & Nsengimana, 2020).

3.2.3 LACK OF FINANCIAL LITERACY KNOWLEDGE

AND CONFIDENCE

Female business owners have been discovered to possess fewer financial literacy skills and confidence as compared to their male counterparts. These weaknesses significantly affect female entrepreneurs' ability to operate sustainable businesses. Another significant obstacle which affects female owned or led SME's is the fact that financial institutions do not take them seriously because of the cultural biases held against them based on gender. Given the restrictions women entrepreneurs face when trying to access funds, female SME owners are less likely to invest in technology, training employees, and other investments that can assist them in running their businesses sustainably (Atkinson, 2017). A significant lack of confidence and financial literacy knowledge has also been noted in female entrepreneurs, making them more likely to be risk-averse than male entrepreneurs. While risk aversion may be a positive trait for small businesses seeking to minimize risks and expenditure, it may result in female entrepreneurs being afraid to take the necessary loans needed to expand and grow their businesses. Female business owners have been shown to lack sufficient financial knowledge to make sound business decisions (Lusardi, 2019). When compounded by a lack of confidence, this lack of knowledge can lead to indecision or poor decisions, which contribute to business failure. One way to overcome the lack of knowledge and lack of confidence is to empower female entrepreneurs through financial literacy.

3.2.4 GENDER BIAS IN THE PROVISION OF FINANCIAL LITERACY EDUCATION

Results from a baseline survey on financial literacy conducted by the Financial Literacy Initiative of Namibia (FLI) indicated a gender bias in the financial literacy training of females in comparison to that of their male counterparts (FLI, 2013). These sentiments were echoed by the Ministry of Industry and Trade in 2015 in a report which stated that, in comparison to their male counterparts, females needed more financial literacy interventions. Despite the disparity between men and women, it looked as though men were still getting more training than women (MIT, 2015). According to the Gender Gap Index Report (GGIR) by the World Economic Forum (WEF), Namibia was ranked 6th in the world and reported an 80.9% gender gap closing percentage (2006–2021), making it the most gender-equal country in Sub-Saharan Africa (WEF, 2021). The same report also highlighted the fact that the Economic Opportunity and Participation (EOP) sub-index did not increase significantly even in the top-ranking countries. Perhaps this indicates that there is a need to address historical inequalities even in the most equal societies in terms of opportunities and participation. It is estimated that it will take 276 years for the world to close the economic participation gender gap, meaning that women will still continue to lag behind men in many respects concerning the above-discussed issues (WEF, 2021).

3.2.5 AGE, MATURITY, AND PEER PRESSURE

A survey conducted on female entrepreneurs in Namibia by Semente (2019) revealed that there was an increase in the number of young entrepreneurs below the age of forty (40) embarking on business activities in comparison to the older generation. Most of the young entrepreneurs are part of the millennial population who were born between 1980 and 2000. Other studies have identified that this generation is more likely to seek entrepreneurship opportunities due to high levels of unemployment. It has been revealed in the literature that age and maturity play an important role in the financial behaviour of individuals, as older people are less likely to be influenced by peer pressure to spend beyond their means (Lusardi, Mitchel & Oggero, 2017). It is also stated that millennials are the most financially stressed generation as they lack basic financial literacy skills and are not likely to seek financial assistance (Chan, Huang & Reka, 2017).

4.1 METHODOLOGY

The study followed a quantitative analysis method which was influenced by the objective of analysing the relationship between the variables financial literacy (independent variable) and female SME sustainability (dependent variable). The correlational research design is a statistical approach used to measure the relationship between the independent and dependent variables (Saunders et al., 2019).

The size of the population was 240, which is the total number of cosmetic industry participants and associates in Namibia. From this population, a probability sampling technique was used to determine the appropriate sample size using Slovin's sample calculation formula. From the population, 150 individuals were chosen as the sample size, which was deemed adequate for the study.

4.1.2 RESEARCH INSTRUMENT

A questionnaire that was adapted from the OECD International Network on Financial Education survey, which utilised the research instrument to measure the financial literacy of SMEs, was used (OECD, 2019). The financial literacy baseline survey, conducted by the Financial Literacy Initiative of Namibia (FLIN), also utilised the same research instrument (FLIN, 2013). The design of the research instrument followed the most widely accepted definition of financial literacy, which divides financial literacy into knowledge, attitude, and behavior components (OECD, 2016). Primary data was collected using a survey questionnaire with closed-ended questions to allow for quantitative analysis of the relationship between variables (Creswell & Creswell, 2018). The data collection procedure was pre-tested using a pilot study of seven participants to test the suitability of the research instrument, and the seven participants in the pilot study did not participate in the main study.

4.1.3 DESCRIPTIVE STATISTICS

Descriptive statistics were provided for both the independent and dependent variables. Inferential statistics were used in analysing the relationship between variables (Tredoux & Durrheim, 2018). The inferential statistical methods of correlation and regression analysis were used. The use of both methods arose from the limitation of regression analysis which shows the underlying trend of the relationship between variables; however, it gives no indication of the strength of the relationship between the two variables (Tredoux & Durrheim, 2018). The reliability of the study was established using Cronbach's alpha. Cronbach's alpha states that for facets of a research instrument such as a questionnaire to give reliable information, they must have a Cronbach's alpha of 0.70 and anything below 0.70 is questionable (Tredoux & Durrheim, 2018). The questionnaire in this study was tested using the Stata alpha command and scored 0.73, which is above the acceptability threshold.

5.1 RESULTS

The results of this study were discussed under this heading, starting with the response rate, financial literacy scores, and business sustainability scores. Subsequently, definitive behavioural responses, regression analysis, and correlation analysis were discussed. Thereafter, discussions of the results are made, ending with a fitting summary of this section.

5.1.2 RESPONSE RATE

The research instrument was distributed among a sample size of 150 participants. A total of one hundred and fifty (150) questionnaires were distributed through paper format, WhatsApp, and email links to Google Forms. Eighty-five (85) participants completed the survey questionnaire, representing a response rate of fifty-seven percent (57%), which is a credible response rate as survey studies usually have an average response rate of 30%, which is the minimum acceptable response rate in research (Adams, Khan & Raeside, 2014). One may infer that a response rate of 57% is good and may indicate that participants were enthusiastic about taking part in this study because of the perceived benefits for the participants and society in general.

5.1.3 RESPONDENTS' PROFILES

The profiling of the respondents is based on their demographic details and the characteristics that were observed from the survey, which may have a bearing on their financial literacy as illustrated in Table 1.

The first thing to be analysed in Table 1 is the gender of the respondents. The majority of the respondents were female, representing 76% of the participants. This is consistent with the expectations since the cosmetic industry in Namibia is female-dominated. Around 64% of the respondents were young women and men between the ages of 18 and 35, which is expected from an industry that thrives on youth and beauty.

Table 1 Respondents profiles

Characteristic	Category	Frequency	%
Gender	Female	65	76%
	Male	20	24%
Age	18-25	13	15%
	26-35	42	49%
	36-45	16	19%
	46-55	13	15%
	56+	2	2%
Education Level	Secondary	14	16%
	Diploma/VTC	16	20%
	Bachelors/Equivalent	40	47%
	Masters/Professional	12	14%
	PhD	3	3%
Education in business, finance, accounting, and related subjects	Yes	67	79%
	No	18	21%
Training in the management of business finances	Yes	41	48%
	No	44	52%
Number of years of business operations	< 1 years	46	54%
	1-5 years	30	35%
	6-10 years	5	6%
	11-20 years	4	5%

Source: Survey responses

As illustrated in Table 1, a significant number of respondents, representing 47%, were bachelor's degree graduates, which is in agreement with the findings of Semente (2019), who identified an emerging trend of rising numbers of young educated female entrepreneurs in Namibia. Fourteen percent (14%) of the respondents were holders of master's degrees or equivalent qualifications, and 3% were Ph.D. holders. While having so many educated women is a positive sign in terms of the general empowerment of women, it does not necessarily contribute to the sustainability and success of female-led organizations. As evidenced by other studies, even highly educated individuals' education is not a perfect proxy for financial literacy (Lusardi & Mitchel, 2011). The overwhelming majority (79%) of the participants indicated that they received education in business, finance, accounting, and other related subjects, which should be a positive factor in the sustainability of their businesses. However, it is disheartening to observe that (52%) fifty-two percent of the participants indicated that they did not receive any training in the management of business finances.

5.1.4 FINANCIAL LITERACY SCORES

The next summary statistic to be analysed was the average financial literacy scores. These scores were computed according to the correct responses when the participants were asked questions on financial knowledge, financial behavior, and financial attitude key competencies. To better understand the impact of financial literacy on female businesses, the average financial literacy scores were categorised by gender.

The average score of financial literacy shows that female respondents had lower financial literacy scores compared to their male counterparts. The female participants scored an average of thirty-nine (39%) and the male respondents had an average of fifty-five (55%) in financial literacy. This supports the evidence provided by Baporikar & Akino (2020), who stated that female entrepreneurs had significantly lower levels of financial literacy compared to males. Although FLI (2013) alluded to the fact that females scored lower than males when tested on financial literacy, they concluded that the differences were not significant in their study. However, the results of this study reflected a significant gap between the levels of financial literacy of females compared to males. Literature has cited the lack of financial literacy as being more pronounced in women, as previously stated (Lusardi & Mitchel, 2014). While the results discussed above indicate a need for regular financial literacy interventions for both genders, it is evident that women would need more interventions compared to men (Baporikar & Akino, 2020).

5.1.5 BUSINESS SUSTAINABILITY SCORES

Sustainability scores were allocated to each respondent according to their responses to the business indicators of growth, profitability, and liquidity. The results are illustrated in the graph, Figure 1 below.

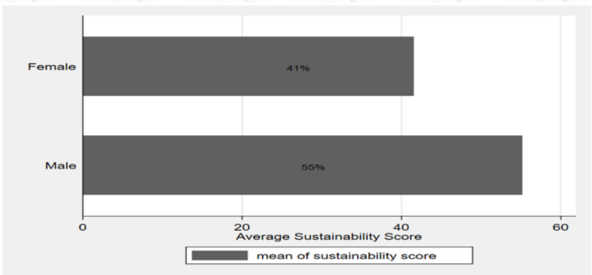

Figure 1 Business Sustainability Scores

The average sustainability scores were categorised by gender to reveal the differences between the two population groups. The results showed that businesses owned by male entrepreneurs presented a higher likelihood of survival compared to those owned by females. These findings are in line with research findings by Carranza (2019), where the socialisation of women was indicated as a challenge to their ability to manage finances and run sustainable businesses compared to males. Women are not socialised to participate in the management of finances from an early age as they are assigned gender roles and are more likely to start their own enterprises as a result of other life events, such as the death or absence of a patriarchal figure. Males are more likely to have access to managing family businesses and finances earlier than women, which gives men more experience in their earlier lives and a competitive advantage in later life (Naicker & Nsengimana, 2020). The findings are in agreement with the literature on the challenges that female entrepreneurs encounter and the need for targeted interventions to help female entrepreneurs.

5.1.6 DEFINITIVE BEHAVIOURAL RESPONSES

The primary goal of financial literacy education is to influence financial behavior with the aim of improving the financial decisions made by an individual in the course of running their business. Three key behavioral questions were asked in line with Huston (2010). Respondents were asked questions about seeking external finance, separating business and personal expenses, and budgeting. Forty-eight percent (48%) of the respondents did not seek external finance because they either found the loan application process to be complex or they did not know how to apply. This shows that seeking finance and the knowledge of how to apply for funding is a challenge for female entrepreneurs.

Only forty-seven (47%) of the respondents indicated that they were able to separate business and personal finances. The business entity concept states that the business is distinct from the owner(s) of the business, hence it is especially cause for concern that Fifty-three percent (53%) of respondents do not understand and adhere to this basic principle. While a significant majority of eighty-two percent (82%) of respondents confirmed that they had a budget for their business, only eighteen percent (18%) managed to spend according to their budgets. Despite the importance of budgeting and separation of expenses as key financial behaviour competencies that are crucial to the success of businesses, most of the respondents indicated that they do not stick to their budgets.

For businesses that are owned and operated by individual entrepreneurs, the sustainability of the businesses is a direct consequence of the behavior of the individual entrepreneurs. Literature suggests that more prudent and informed behavior is likely to positively impact the success of a business (Mashizha et al., 2019). The findings on the respondents' financial behaviour highlight the financial literacy challenges those female entrepreneurs face in line with the research questions and objectives.

5.1.7 CORRELATION ANALYSIS

Pearson's correlation coefficient measures the

Figure 2 Regression Analysis

strength of the relationship between variables by calculating how far the data points are from the regression line of best fit (Tredoux & Durrheim, 2018). The correlation coefficient for this study is calculated at 0.624 and can be interpreted as a moderate correlation, which signifies a positive and relatively strong relationship between sustainability and financial literacy. Correlations are interpreted according to the sign and the value of the coefficient within a range of -1 to 1, with a correlation of 1 showing a strong positive relationship between the two variables being measured against each other; and a -1 correlation indicates a strong but negative relationship between the two variables being measured against each other (Tredoux & Durrheim, 2013). The work by Guilford cited in Tredoux & Durrheim (2018) offers an interpretation of the magnitude of statistical significance of different coefficients of correlation as alluded to earlier. Although the coefficient correlation is below 1, there is a relatively strong relationship between sustainability and financial literacy (Tredoux & Durrheim, 2018). The correlation results indicate a positive relationship between the dependent and independent variables, which means the sustainability of female-owned SMEs can be improved by providing financial literacy initiatives.

5.1.8 REGRESSION ANALYSIS

A regression analysis was conducted to investigate the relationship between financial literacy and sustainable entrepreneurship. Regression analysis is a statistical method of estimating the linear relationship between variables. The data to be analysed is collected independently from each other (Montgomery, Peck & Vining, 2021). The researchers used two independent sets of data from the participants to compute the sustainability score and the financial literacy score. Sustainability was the dependent variable and financial literacy score was the independent variable, which was regressed with the results depicted below. The overall model fit, depicted in the top right-hand corner of Figure 2, was interpreted first, followed by the co-efficient and the t-statistic test.

As illustrated in Figure 2, the number of observations in the study was 85, representing the data from all the participants. Probability > F measures the probability of there not being a predictive relationship between the two variables. Ideally, the probability value of the F test should fall below 0.05 in a 95% confidence level regression (Tredoux & Durrheim, 2018). The above analysis shows that F has a probability value of 0.00. This means that financial literacy can predict an enterprise's ability to stay in business, and the model can be argued to be statistically significant (Tredoux & Durrheim, 2018).

Source	SS	df	MS			
				Number of obs	=	85
				F(1, 83)	=	52.93
Model	31892.2603	1	31892.2603	Prob > F	=	0.0000
Residual	50008.5162	83	602.512244	R-squared	=	0.3894
				Adj R-squared	=	0.3820
Total	81900.7765	84	975.009244	Root MSE	=	24.546

Sustainability	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
FinancialLiteracyScore	.9292472	.1277237	7.28	0.000	.6752099	1.183285
_cons	4.906092	6.086816	0.81	0.423	-7.200339	17.01252

R-squared was measured at 38.94%, representing the statistical significance of the relationship between sustainability and financial literacy (Tredoux & Durrheim, 2018). An R-squared value of zero would have indicated that there is no relationship between the variables (Tredoux & Durrheim, 2018). In this case, we can conclude that there is a positive relationship between the variables (independent and dependent in this study) and that the regression model has explanatory significance (Tredoux & Durrheim, 2018).

The probability value for the T-test (P>t): The t-test is used to compare the means of two independent data sets, in this case, sustainability and financial literacy (Tredoux & Durrheim, 2018). The probability value for the t-test measures the likelihood of the two means of the identified variables being equal. Ideally, an output of less than 0.1 is acceptable. The model in question shows a p-test for t of 0.00, which is acceptable in determining the existence of a relationship between the two variables (sustainability and financial literacy) and it indicates that the results did not occur by chance (Tredoux & Durrheim, 2018).

The coefficients of a regression model predict the relationship between the two variables in numerical terms (Tredoux & Durrheim, 2018). The output indicates the amount of increase or decrease in the dependent variable that could be predicted by the independent variable. A statistically significant coefficient should be significantly different from 0. The results of the regression show a coefficient of 0.92, which is significantly greater than zero (Tredoux & Durrheim, 2018). The coefficient is a positive number and therefore indicates a positive relationship between the two variables. This means that for every increase in financial literacy, there is a 0.92 increase in the sustainability of enterprises (Tredoux & Durrheim, 2018).

6. DISCUSSION OF RESULTS

An analysis of the participants based on gender is in line with previous research in Namibia, which alludes to the fact that women were mainly embarking on personal services and the beauty industry. Women make up (76%) of the cosmetics industry in comparison to males, who are in the minority at (24%) in the same services (Baporikar & Akino, 2020; Semente, 2019). The males involved in the cosmetic industry play a supportive role in specialised fields such as research, as compared to female entrepreneurs, who are, in most cases, small-scale retailers of the finished cosmetic products. This follows the gender-normative societal constructs of the businesses that women can embark on within the African context (Baporikar & Akino, 2020).

The results from the age analysis of the respondents revealed that the majority of the respondents were millennials who are below 40 years of age. The millennials are characterised as a more liberal and self-assured generation compared to the previous generation, but they are also the most financially stressed generation. They were also found to have subjective financial knowledge, which makes them overconfident in their financial knowledge and the least likely to seek help or financial advice (Chan, Huang & Reka, 2017). Linked to this are studies about age and maturity with financial literacy and the making of sound financial decisions, which identify this age group as a more vulnerable group that is most likely to lack financial literacy skills when managing their businesses (Lusardi, 2014; Lusardi & Oggero 2017). Members of the older generation are less likely to make impulsive financial decisions or be influenced by peer pressure than millennials (Lusardi & Oggero, 2017). In this study, respondents above 56 years of age made up only 2% of the total respondents, and yet they are the ones who possess some of the skills and qualities needed to make sound financial decisions. As evidenced by Table 1, the membership of the cosmetic industry is made up of mostly people below the age of 35, implying that there is a need for cosmetic industry members in Namibia to receive financial literacy support in the form of training or awareness to assist them towards running sustainable enterprises (Chan et al., 2017).

The findings of the study indicate that there is a positive correlation between financial literacy and sustainable female entrepreneurship. The regression results indicate a statistically significant relationship between financial literacy and sustainable entrepreneurship. Based on the findings, the results suggest that financial literacy has a positive impact on sustainable female entrepreneurship. If a female entrepreneur knows a lot about money, she is likely to be able to run her business for at least five years. This is a good measure of how long a business can stay in business.

The challenges that female entrepreneurs face concerning a lack of financial literacy skills affect the sustainability of their enterprises. In conclusion, based on the findings of the study as mentioned above, it is suggested that for female entrepreneurs to manage sustainable enterprises, they need to be well equipped with financial literacy skills.

7. CONCLUSIONS

This study sought to uncover the impact of financial literacy on the sustainability of female entrepreneurship. The findings of the study indicate that there is a positive correlation between financial literacy and sustainable female entrepreneurship. Based on the findings, the results suggest that financial literacy has a positive impact on sustainable female entrepreneurship. Female entrepreneurs with high levels of financial literacy are likely to sustainably manage their businesses beyond the five-year mark, which is a good measure of business sustainability.

This paper was focused on the Namibian cosmetic industry, and the results reflected low levels of financial literacy within the industry. Stakeholders involved in the industry are encouraged to provide more training on financial literacy to equip female entrepreneurs with the financial skills to manage their businesses sustainably. It is also recommended that a formal approach to financial literacy training be adopted and provided to new members of the cosmetic industry network. As the cosmetic industry grows, new members need to be equipped with financial literacy skills if businesses are to be sustainable and to ensure the growth of the industry.

Results indicated that most of the business owners who are part of the cosmetic industry have only been in operation for one to five years. The industry’s main donors and stakeholders could provide members with technical services backup in accounting and finance until such a time that they are well versed and experienced in managing their finances or can hire accountants to manage their finances.

The study was based on a positivist research philosophy that follows statistical and logical data collection and analysis. This influenced the type of questions asked in the research instrument, which were closed-ended questions that did not allow the respondents to further explain their choices. Further studies could be conducted using a mixed-methods approach to allow for triangulation. The measurement of financial literacy was measured by financial knowledge, financial behavior, and financial attitude, which were then combined into one variable (financial literacy). It would be beneficial to analyse the impact of each of the three components individually in future studies.

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