

## NAVIGATING BUSINESS COMPLIANCE AND SUCCESS NOSTRUM: A GUIDE FOR LECTURERS ENTREPRENEURS

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### Abstract

*Lecturers in institutions of higher learning have for many years taken an active role in practical entrepreneurship ventures. There is overwhelming evidence that shows that entrepreneurship significantly contributes to economic development. In fact, entrepreneurial activities amongst the lecturers potentially lead to significant economic growth with high possibilities of creating employment and numerous business opportunities to the communities. Some of the benefits of entrepreneurship might include solving some critical societal problems hence contributing to quality of life while at the same time helping to enhance lecturers' retention within institutions of higher learning. However, there is low business compliance amongst the lecturers' entrepreneurs which has significantly negatively affected the potential for growth and sustainability. The study aimed at ascertaining the levels of business compliance with regulatory authorities (ZRA, PACRA, NAPSA & local authorities) amongst the lectures involved in entrepreneurship ventures in institutions of higher learning. Furthermore, the study sought also to establish the relationship between business compliance and entrepreneurial growth. It employed a pragmatic research philosophy and used a mixed design approach specifically an embedded correlational model, in which qualitative data was embedded within a quantitative design. Data was collected using questionnaires', interviews guides and focused group discussions. Qualitative data was analyzed using regression analysis while thematic analysis was employed to analyze qualitative data. It was established that there was low business compliance amongst the lecturer entrepreneurs in institutions of higher learning in Zambia. Further, business registration had a significant positive effect on the growth of entrepreneurship ventures.*

**Keywords:** Entrepreneurship, Lecturers, Compliance, Institution of Learning, Registration, Regulatory authorities.

## 1.0 INTRODUCTION

Lecturers are increasingly engaged in entrepreneurship ventures across many sectors of the economy such as technology, finance, law, clean energy, transport and logistics including mineral exploitations. The dual roles played by lecturers as educators and as practical entrepreneurs not only contribute to economic development but also inspire students to pursue entrepreneur paths (World Bank 2017; Schmallegger & Wagner 2011). Numerous success stories have since been shared with clear evidence of value additions and tangible results. Thousands of citizens have been hired by entrepreneurial ventures owned and managed by lecturers. The overwhelming success stories in the lectures demonstrate the significant role that academic entrepreneurship can play in advancing the country's socio-economic goals. Entrepreneurship plays a significant role in shaping the economic landscape of nations (World Trade Organisation 2018; IFC 2016; KPMG 2019; McKinsey & Company 2020). It has huge potential to foster innovations and create numerous opportunities, employment and wealth creation avenues, especially in developing countries (World Bank, 2017; Chilembo, 2021; KPMG 2019). Research has shown that entrepreneurship serves as an engine of economic growth and a catalyst for transformative change both in developed and developing economies (Mumba, 2017; Macetti 2017). Countries that have embraced high standards of entrepreneurial acumen and values have continued to significantly register huge gains that have since helped to revolutionize their economies. Broadly speaking, the central government cannot meet all the expectations of its citizens in terms of offering jobs to everyone. Naturally, the job demand by the citizens of any country often exceeds the maximum potential that the country can manage to award its people in terms of job opportunities. Even though the government may be known for many years as the biggest employer for its citizen, it is still not practically possible to get everyone employed under the government. The private sector, however, has unlimited potential to create employment for many people in the country. In Zambia for example there are much more people employed in the informal sector than the formal sector (GRZ 2023; Fayolle & Gailly 2015; IFC 2016). Given this conceptualization therefore, successful governments across the world have come to realise that, it is the role of the government to create only an enabling environment for private businesses to thrive and generate unlimited opportunities for its citizens (Porter & Kramer 2006; PWC 2018; Chauwa, 2013). In view of this realization, the government has tried to operationalise several models based on liberalization of the economies whereby free market economies have been allowed to naturally thrive and coexist symbiotically with government enterprises with a view to maximizing value creation, opportunities and enhanced business productivity and profitability.

Many studies have continued to show that Africa comes along with numerous and untapped opportunities for entrepreneurial ventures as most parts of the African continent still remain poor, backward and underexploited (Deloitte 2019; Schaltegger & Wagner 2011; Msango & Mulenga, 2010). This is partly because Africa has a relatively lower entrepreneurial skill set and limited financial capital that could significantly trigger viable innovations and acumen of novel creativity within the promising sectors of the economy. The most attractive sectors of the economy that still offer wide avenues of opportunities include, manufacturing, trade, transport, value additions, mineral explorations, industrialisation and energy generation (Thabani & Richard, 2020). It can further be stated that Africa has also numerous resources across all sectors that have not yet been fully exploited. There exists therefore a vacuum between the available opportunities and what has been exploited so far.

Entrepreneurship growth in Africa comes with its own challenges that could include limited access to capital, lack of skills, unfriendly and hostile business environment, unhealth rivalries, fluctuating policy framework including lack of both systems and institutions that could nurture and cultivate an enabling entrepreneurial environment for sustainable growth (ZRA, 2013; GRZ 2022; PWC 2018). Though many lecturers in higher institutions of learning have expressed interests to venture into entrepreneurial activities, it has come vividly clear that the majority have failed to make significant progress due to a number of reasons. One of the challenges identified relates to challenges associated with business compliances with relevant authorities (ICTL, 2022). This factor has therefore led to many of the Lecturers entrepreneurial

efforts to remain at infant stages while many other have decided to operate their business illegally without any formal registration.

Many businesses operated in Zambia are not registered with formal government regulatory bodies such as the Workers' Compensation Control Board, NAPSA, ZRA, PACRA, Local government Authority, and Zambia Bureau of Standards (Chilembo, 2021).

There are many cited compounding possible reasons behind the lack of business registration as well as non-compliance levels to regulatory bodies and these may include the cumbersome process of registration that is often characterized by too many manual procedures, rigid protocols, insensitive to unique local needs, fluctuating policy direction, sometimes asking for exorbitant financial resources in form of registration fees, levies and other taxes that most infant enterprises could not possibly afford (Rawsers, 2019). The essence of this article therefore was to ascertain the levels of compliance of Lecturers-Entrepreneurs with regulatory bodies (like Workers' Compensation Control Board, NAPSA, ZRA, PACRA, Local government Authority, and Zambia Bureau of standards).

It is fundamentally important to registers one's business in Zambia as it comes with several benefits. It not only ensures compliance but also enhances the credibility of one investment. Additionally, by registering with PACRA, ZRA, NAPSA, and WCF, businesses can access funding, enhance trust with clients and avoid negative legal implications (ZRA, 2013).

## **2.0 REVIEWS OF RELATED LITERATURE**

Access to finance is very critical to the growth and performance of small and medium enterprises (SMEs). Despite their recognized importance, most SMEs however find it difficult to obtain finance from financial institutions (Pandula 2015). Kumar and Rao (2015) confirm that lack of access to finance poses an obstacle to the success of SMEs. They attributed this to the demand and supply gap in information. The capacity for SMEs to explore their potential depends largely on access to finance (Pandula, 2015). Beck and Cull (2019) contend that SMEs play a vital role in the economy of Zambia. They produce goods and services, create employment and are a source of income for thousands of people.

According to the International Trade Centre (ITC) Survey (2018), SMEs in Zambia represent 70 per cent of the Gross Domestic Product (GDP), 88 per cent of employment and 97 per cent of all businesses in the economy. These business activities range from Barber shops and hair salons, business centres, construction, goods and public transport, metal fabrication, wood processing, and restaurants, amongst many other activities. The importance of the critical role SMEs play in the economy of Zambia can therefore not be undermined (Chilembo, 2021). Beck and Cull (2014) however observed that more than 25 per cent of SMEs in Africa consider rate availability and cost of finance as the most critical obstacle to their growth, while Schiffer and Weder (2001) posit that accessing finance in Africa for SMEs is more challenging than for large enterprises. SMEs play a vital role in the economy of Zambia. They produce goods and services, create employment and are a source of income for thousands of people.

The Financial Sector Deepening (FSD) report (2017) observes and recognises the importance of SMEs as economic drivers for employment creation, notably for low-income people and that they act as a critical route to financial inclusion. The report observes that the SME sector is estimated to account for 97 per cent of all businesses in Zambia. However, the report bemoans that 9 out of 10 SMEs operate without formal registration or compliance certificates. However, SMEs play an important role in the economic development of many countries. They create more employment opportunities, bring more goods and services to the marketplace through innovation, create wealth for many people and are the drivers of national economic prosperity. SMEs also contribute to the improvement of the country's revenue base (World Bank 2017; Qureshi and Herani, 2011, Dhliwayo & Radipere, 2014).

Beck *et al.* (2005) state that SME activity is important because of the relatively large share of the SME sector in most developing nations' economies. Access to Finance is critical to the formation, growth and survival of SMEs. According to Singh and Wasdani (2016), the primary sources of finance available to SMEs include loans from banks and non-bank financial institutions. It is however unlikely that these institutions will fully fund SMEs, especially startups, so-called Greenfields, given the high financial risk associated with them and poor records of traceability and reliability checks. Therefore, developing economies like Zambia need to further the development of its private sector by creating an environment favourable to the growth of SMEs, strengthening the factors that lead to business success, and addressing the problems threatening the existence and advancement of small and medium enterprises Wisdom (2014), so they can adequately play the role expected of them in economic transformation. Such roles include mobilization of domestic savings for investment, appreciable contribution to gross domestic product, increased harnessing of local raw materials, employment generation, and significant contribution of poverty reduction efforts through sustainable livelihoods and enhancement in personnel income, technological development and export diversification (Mulenga & Chileshe 2013). Furthermore, they have the advantage of reaching the farthest corners of the country unlike the larger establishments.

Based on the above reasoning, an ideal tax policy needs to be adopted in order to ensure voluntary compliance, economic growth and proper utilisation of resources rather than suffocating the entrepreneur initiative they are out to cater for. It is a well-known fact that the revenue generated from the taxation of individuals and businesses is an important stream of income for the government. In an economy like ours that is struggling to remain afloat, it is even more important for an entrepreneurial mindset to be cultivated even on a large scale. Tax revenue is the source of funds used for development projects such as the provision of infrastructure like good roads, stable power supply, stable water supply etc. All of which combine to create an enabling environment for businesses and in turn the economy at large to grow.

Small and Medium Enterprises being profit-generating establishments are also expected to pay their dues. The important question however is "how much tax should they be levied"(Mumba 2017; ZRA 2013). Small and medium enterprises are volatile establishments that need special treatment. Putting their nature into consideration, every little resource at their disposal can significantly make a world of difference. For this reason, several Zambian SMEs choose to remain in the informal sector because they feel the cost of compliance is too high. Essentially, a considerable number of those who pay only do so because they are coerced by the authorities (ZRA 2013). Since the individual SME pays a very small amount of tax compared to what the larger establishment would pay, tax authorities tend to give the larger corporations more attention. This means a good number of SMEs get away with not paying their taxes hence revenue that would otherwise have been invested in development projects that will end up being of benefit even to the SMEs is lost.

This therefore is a situation that needs to be corrected. The above brings to light reasons why the issue of taxation of SMEs is really important. First, tax provides revenue for the government to create an environment that will ease the running of all businesses SMEs inclusive. At the same time, if an SME is faced with high compliance costs, it tends to avoid paying taxes hence; the revenue that would have been used to create this environment is diminished thereby reducing the SME's chances of survival. This research therefore was aimed at evaluating the factors that encourage non-compliance with tax obligations by SMEs and consequently determine if high tax rates tops the list. In doing this, a study was conducted using SMEs based in higher institutions of learning both from Lusaka and the Copperbelt provinces of Zambia.

Tax Compliance is the degree to which a taxpayer complies (or fails to comply) with the tax rules of his or her country, for example by declaring income, filing a return, and paying the tax due promptly. Tax non-compliance is a range of activities that are unfavourable to a government's tax system. This may include tax avoidance, which is tax reduction by legal means, and tax evasion which is the criminal non-payment of tax liabilities. The use of the term 'non-compliance' is used differently by different authors. (Zambia

Revenue Authority, 2015). The Zambian tax system broadly comprises income taxes (which include Company Income Tax (CIT), Pay as You Earn (PAYE) and Personal Income Tax (PIT)), Property transfer tax, Value Added Tax (VAT) and Customs and Excise taxes. These taxes are collected by the Zambia Revenue Authority (ZRA) which is the corporate body mandated to collect all taxes (ibid).

The ZRA defines as small any taxpayer with a turnover of less than ZMK 200 million per annum (1 US Dollar being approximately equal to ZMW12.00) and a medium taxpayer as one with an annual turnover of between ZMW 200 million and ZMW 20 billion. Only medium businesses are subjected to the normal income tax regime. It is circular 1/2020, the Patents and Companies Registration Agency (PACRA), the small enterprise is defined as an entity whose total investment, excluding land and building. In the case of manufacturing and processing enterprises, shall be between Eighty Thousand and Two Hundred Thousand Kwacha (K80, 000.00 – K200, 000.00) in plant and machinery; – In the case of trading and service providing enterprises shall be up to One Hundred and Thousand (K150, 000, 000) Kwacha.

### **3.0 RESEARCH METHODOLOGY AND DESIGN**

This paper was underpinned by pragmatic research philosophy and used a mixed design approach specifically an embedded correlational model, in which qualitative data was embedded within a quantitative design. The research was conducted in six institutions of higher learning both in Lusaka and the Copperbelt provinces of Zambia with an estimated population of 1,680 which included the teaching staff (Lecturers, Deans and HODs) in both public and private institutions of higher learning. From the population, a sample of 279 participants was calculated using Yamane formula.

Sampling was done using simple random sampling techniques. To collect quantitative and qualitative data, self-administered questionnaires and semi-structured interview guides were used respectively. The questionnaires were given to lecturers, HODs and School Deans for all the six institutions respectively. And out of the 285 questionnaires distributed a total of 279 questionnaires were collected. This gave a response rate of 97%, an acceptable percentage to make the study generalizable. The interview schedule was then used to interview those lecturers in six institutions mentioned above. Quantitative data were then analyzed using linear regression while the qualitative data was analyzed using thematic analysis.

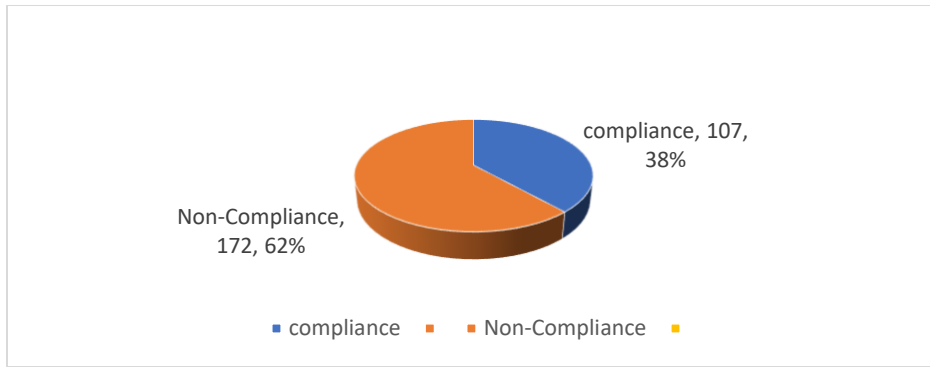
#### **3.1 Theoretical Frameworks**

##### **3.1.1 The Tax Morale Theory**

The tax morale theory was first advanced by German scholars centred on Gunter Schmolders known as the Cologne School of tax psychology. Tax morale can be termed as the individual factor that motivates a person to comply with his or her tax obligations. As a determinant of tax behaviour, tax morals aim to explain how and why a taxpayer's morality influences his or her tax behaviour. Many studies have found that tax evasion can be attributed to tax morale (Mocetti, 2017). Taxpayers would be inclined to evade tax when the communities in which they live or operate disapprove of tax evasion. Taxpayers are more likely to comply with tax obligations if their friends, relatives and acquaintances comply with these obligations.

### **4.0 FINDINGS AND DISCUSSIONS**

The study aimed to ascertain the levels of business compliance of Lecturer Entrepreneurs with regulatory bodies (like the Workers' Compensation Control Board, NAPSA, ZRA, PACRA, Local government Authority, and Zambia Bureau of Standards) in higher institutions of learning amongst lecturers entrepreneurs. In particular, the levels of compliance focused on business registration, Taxation and social security statutory requirements. The pie chart below indicates the levels of compliance amongst the lecturers' entrepreneurs within the six institutions of higher learning.



**Figure 1:** Levels of compliance among entrepreneurs

The above figure 1.1 shows that the levels of compliance amongst the small entrepreneurship stood at 38% while non-compliance scored 62%. This means that there was low business compliance amongst the entrepreneurs. This development had significant implication both on the government revenue and the overall Zambian young economy.

Many entrepreneurs were not complying with ZRA mandatory taxation systems, many others were not registered with PACRA and the social security statutory contributions' to NAPSA were not being met. Since many enterprises were not registered, it became very difficult to fall within compliance requirements with ZRA, NAPSA and local authorities. Further analysis indicated that there was a direct relationship between business compliance and entrepreneurship growth. The figure below highlighted the positive significant relationship between business Compliance and entrepreneurship growth.

	Entrepreneurship Growth		
	0	1	Total
Membership			
0	248	95	343
	219.1	90.1	309.2
1	31	583	614
	122.4	50.4	172.7
Total	279	678	957
	341.4	140.5	481.9

**Table 1:** The Effect of Business Compliance on Entrepreneurship Growth

*Pearson chi2(1) = 481.9270 Pr = 0.000*

*Cramér's V = 0.7096*

**Source:** Field Data

*Using Chi-square test of independence, the study determined the effect of Business Compliance on Entrepreneurial Growth. A Pearson Chi-square value of 481.93 was obtained, with a corresponding p-value of 0.0001. In addition, the study conducted Cramer's V test to determine the direction of the effect, whether positive or negative. The results indicates that Business Compliance had a significant positive effect on entrepreneurial growth of small enterprises. It can therefore be observed that business compliance has a significant effect on entrepreneurial growth of small enterprises amongst lecturers in the institutions of higher learning in Zambia.*

The study revealed that there was a significant low level of compliances with the regulatory authorities amongst the Zambian entrepreneurs. Essentially, the observed poor levels of business compliances amongst Zambian entrepreneurs had significant effects on both the government wellbeing as well as on the growth of the entrepreneurial venture in the country. Basically, the more entrepreneurs fail to register or comply with the regulatory authorities such as ZRA, PACRA, NAPSA and the local authorities the more their likelihood of facing serious repercussions. In the first-place government heavily depends on revenue collection to run the affairs of its business. Therefore, the direct implication for failure to collect its mandated revenue results in serious operations challenges that eventually lead to poor provision of services in all sectors such as energy, education and primary health care. Consequently, this increases the public levels of frustration and trigger high levels of dissatisfactions. This has the potential to lead to social unrest and breach of the peaceful climate that is required to foster growth and sustainable development.

On the other hand, however, the lack of registration and overall business compliance among the entrepreneurs often lead to significant loss of opportunities to equal access for support, lack of access to capital or funding including possible opportunities that would leverage synergies, networking and mentorship. In view of this awareness, it can be strongly argued that business are better off if they manage to comply with relevant regulatory authorities than otherwise. By this line of thinking, it must be noted that entrepreneurs do not deliberately decide to abrogate the compliance requirements for nothing. There are solid reasons that could possibly justify such high levels of non-compliance and it's very critical to highlight them in order to propose an ideal course of action that could assist in reversing that ordeal both in the short- and long-term basis.

It was observed that most entrepreneurs possibly lack necessary information required for them to make viable decisions. Many small entrepreneurs may not be aware of all the legal and regulatory requirements they need to fulfill including their specific implications on their businesses both in the short- and long-term basis. They might not know for instance which permits, licenses, or registrations are necessary for their particular business type. The information relating to their compliance procedures is not readily available and even amongst the entrepreneurs who have been in the industry for many years seem not to have the correct and updated information. Additionally, there is a perceived knowledge gap of the potential benefits that accrue with business compliance.

Essentially, Government regulations may sometimes be complex and bureaucratic, thereby making it very difficult for small entrepreneurs to navigate through all the processes as may be required to be dully met. The paperwork, fees, and procedures involved may seem overwhelming, especially for those with limited resources, expertise and experience. There is also a perceived fluctuation in policy framework relating to rules and regulations governing business models from the side of the government machinery. This scenario makes it so hard for business to thrive because each time people are in the middle of learning procedures, new procedures mainly propelled by the regime change could overtake them and dictate the new direction of doing business. Besides, it has also been observed that there is an urgent need to simply localize things and also take into consideration the unique environments in which business is performed especially within the Zambian rural set whose demand may be different from the rest of the society.

Furthermore, there is a perceived fear of registration Costs and Taxation obligations among small entrepreneurs. Registering a business and complying with regulations often involve fees and expenses. Small entrepreneurs, who may already be operating on a tight budget, might find these costs prohibitive or may not have allocated funds for compliance. In Zambia, it has been observed that taxes are very high and there is also a problem of tax duplications. One will find that one category of taxation will present itself in several different forms and formats. This development poses huge challenges for small entrepreneurs whose capital cannot resonate with regulatory demands. Besides, one business may be required to remit to

PACRA, ZRA, local authorities and sometimes intermediary beneficiaries. By the time a local entrepreneur completes all the formalities of registration, the remaining resources would possibly fall short of covering the daily business running costs. Given this reality, most entrepreneurs would rather prefer therefore to operate illegally to avoid redundancy. It is highly recommended that all the costs that come with compliance are fixed at the lowest rates possible.

Running a small business requires a significant amount of time and effort. Entrepreneurs may prioritize daily operations and customer needs over administrative tasks like compliance, especially if they perceive the latter as non-essential to immediate business success. Normally, the procedures associated with registration come with huge frustrations and operational delays because the systems are too formal, manual and highly centralized. The majority of rural entrepreneurs for example often find it hard to fit in. There is a need therefore to ensure that systems, processes and structures are streamlined to accord clients a smooth and enjoyable platform to ease the compliance procedures.

Some entrepreneurs may avoid registering or complying with regulations out of fear of potential penalties or legal repercussions. They may worry about making mistakes or not meeting requirements properly, which could lead to fines or other sanctions. Once an entrepreneur registers his or her business, it becomes like a trap because they become visible to the rest of the authorities. There is overwhelming evidence that shows that most of the entrepreneurs fall off immediately after registration due to heavy suffocation of numerous payments, fines and penalties that often do not come with convenient flexibilities. It is highly recommended that all forms of fines, payments and levies are made flexible to different classes of entrepreneurs in order to allow them grow and stabilize their ventures. Surprisingly enough, local entrepreneurs often are denied some special privileges that foreign investors could be easily granted such as tax holidays and specific exemptions.

In some cases, entrepreneurs may choose to operate informally to avoid the perceived hassle and costs of formal registration and compliance. They may prefer cash transactions and informal agreements to avoid regulatory scrutiny. Small entrepreneurs may lack the human resources or expertise needed to handle regulatory compliance effectively. They might not have access to legal or financial advisors who can guide them through the process.

Business compliance and registration are foundational to the success of entrepreneurial ventures. By adhering to legal, financial, and regulatory standards, entrepreneurs ensure their businesses operate smoothly within legal frameworks, gain credibility, access financial resources, and build sustainable growth. Below is a detailed discussion on the positive contributions of business compliance and registration to the success of entrepreneurial ventures, with citations and references.

Registering a business and adhering to legal compliance requirements provide entrepreneurs with essential legal protection. This includes safeguarding the business name, intellectual property, and shielding the owner from personal liability. Legal Identity and Limited Liability: By registering a business, entrepreneurs separate their personal and business assets. This protects personal finances from potential business risks. In a study published by *The World Bank*, it was found that small businesses that complied with registration processes and legal requirements had a reduced risk of financial losses, as their personal liabilities were limited in the event of business failure or legal disputes (World Bank, 2017). Compliance with tax laws, employment regulations, and industry-specific standards helps businesses avoid costly fines and penalties. Non-compliance can lead to legal challenges that not only drain financial resources but also damage the reputation of the business. According to a report by *Deloitte* (2019), companies that invest in robust compliance programs are 30% less likely to face legal penalties, enabling them to allocate resources toward growth instead of dealing with regulatory consequences.



Registering a business and ensuring compliance with regulations enhances the credibility of the venture, which is essential for attracting customers, partners, and investors. A legally registered business instills confidence in stakeholders, as it indicates that the entrepreneur is serious and committed to following legal norms. Customers are more likely to engage with registered businesses because they believe these businesses adhere to quality standards and legal requirements. A study published in the *Journal of Business Venturing* emphasized that business registration boosts customer trust and brand loyalty, leading to higher sales and customer retention rates (Fayolle & Gailly, 2015). Investors and financial institutions prefer to engage with registered businesses that comply with local and international regulations. Registration demonstrates transparency and accountability, which are critical factors for securing funding. Research conducted by PwC (2018) showed that start-ups with clear regulatory compliance were 40% more successful in securing venture capital funding and loans compared to their non-compliant counterparts.

Business registration is often a prerequisite for accessing essential financial services, such as opening a business bank account, applying for loans, and receiving government grants or tax incentives. Complying with tax and employment regulations also opens doors to incentives that can significantly reduce operational costs. Registered businesses are eligible for loans, credit lines, and other financial. Ironically, some entrepreneurs may underestimate the importance of compliance with government regulations, especially if they believe their business is too small or insignificant to attract regulatory attention. It was established that many entrepreneurs possibly had challenges with reconciliation of the fact that they require formal business registration as the, majority thought it was just an inconvenience. There must be frantic efforts to create an awareness that no business is too small for registration or compliance. Linkages must be developed at both urban and rural set up to raise levels of knowledge and awareness for robust championing of business compliance at all levels. It can be suggested that effective programs to run through both formal and informal communication channels to enable as many as possible to have free access to information through platforms that offer effective feedback, checks and balances including advocacy strategies.

## **5.0 CONCLUSION AND RECOMMENDATIONS**

### **5.1 Conclusion**

Lecturers have continued to demonstrate in a practical way on how entrepreneurship can contribute to sustainable economic development. Understanding the principles of the successful business values comes as one of the critical factors in successful entrepreneurship ventures. Many successful entrepreneurial ventures are founded on firm business values, rules and regulations. The primary objective of this study was to establish the association between business registration and compliance to the success of entrepreneurial ventures amongst the lecturers in higher institutions of learning. The philosophical assumptions underpinning the study was anchored on pragmatism. This study employed a mixed design approach specifically an embedded correlational model, in which qualitative data was embedded within a quantitative design. The study was grounded under the tax morale theory. Under that theory it was established that high levels of non-compliance amongst the entrepreneurs were mainly attributed to weak values existing within the communities where the entrepreneurs lived beside many other obstacles that small and medium enterprises face within the already existing hostile business environments. Business registration and compliance were significantly low amongst many entrepreneurs. Lack of compliance therefore was established as one of the barriers to business stability, growth and success.

### **5.2 Recommendations**

For small and medium enterprises (SMEs), prioritizing business compliance and formal registration is crucial for long-term success and growth. Business compliance involves adhering to legal, tax, and industry-specific regulations, while formal registration establishes the business as a recognized entity. Firstly, I wish to recommend to the business owners that it is the responsibility of the individual entrepreneurs to ensure that they secure compliance and business registration due to several benefits that may come with

compliance. It can be argued that by ensuring both legal compliance and proper registration offers several important benefits. Operating as a registered entity provides legal protection for business owners in many ways. It distinguishes personal and business liabilities, shielding personal assets from potential business risks and debts. Besides, a registered business offers unlimited access both to private and public financing. Lenders and investors are more likely to provide funding to businesses that are formally registered and compliant with legal requirements. Compliance also improves credibility, making it easier to access loans, grants, and other financial resources. It is undoubtedly clear that business registration helps to build trust and confidence with customers and suppliers. This is so because Registered businesses are often seen as more trustworthy by customers, suppliers, and other stakeholders. Compliance with legal standards can also lead to improved business relationships and contracts with larger organizations that require their partners to be properly registered and compliant. Many small and medium enterprises achieve Competitive advantages as soon as they register and begin to comply with government regulations. Both short term and long-term government benefits and incentives come along with the process of registration. Both in western countries and sub-Saharan Africa, many governments provide tax benefits, grants, or incentives to formally registered businesses. Additionally, registered businesses are better positioned to take advantage of legal frameworks that offer tax deductions and exemptions, which can significantly reduce operating costs.

Proper registration helps SMEs meet tax obligations and avoid legal penalties. It ensures that businesses operate within the framework of national or local laws, preventing costly fines or legal issues that could arise from non-compliance. Addressing these barriers typically requires government agencies to streamline processes, simplify regulations, provide better education and support for entrepreneurs, and consider the specific challenges faced by small businesses. Similarly, entrepreneurs can benefit from seeking out resources and assistance available through business associations, chambers of commerce, and government advisory services to help them navigate regulatory requirements more effectively.

In view of the foregoing, it can be asserted that the government needs to consider relaxing the processes of registration to meet the specific needs of all categories of entrepreneurs both in the rural and urban set ups. Besides, there must be friendly taxation systems tailored to suit specific user needs while the registration and taxation models must be that which support growth and sustainability. Furthermore, there is need to constantly engage the small entrepreneurs in order to understand the unique experiences with a view to integrating them into mainstream of formal structures of the government. All in all, SMEs should make business compliance and formal registration a priority. This not only ensures legal protection and access to financing but also builds credibility and opens the door to opportunities for growth and sustainability.

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