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An Analysis of Factors Influencing Hiring/ Placement of University Graduates in Nigeria

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An Analysis of Factors Influencing Hiring/ Placement of University Graduates in Nigeria

Adeyeye J. Olufemi, Aina Sola, & Ige A. Kolapo

Abstract

This study notes the alarming rate of graduate unemployment and analyses the factors influencing labour market demand for University graduates in Nigeria. A total of 110 Labour Organizations was randomly sampled within Lagos metropolis. The study adopts a descriptive survey design. With the aid of a structured questionnaire and unstructured interview questions, relevant information was collected. Four hypotheses were postulated and tested at 0.05 level of significance using the chi-square. Finding shows that there are significant relationships between the experience, Government's economic policies, Quality of degree, Area of specialization and hiring / placement of Labour by Employer. The study concludes by suggesting the way out for the endemic state of unemployment in general and graduates from Nigeria Universities in particular.

Keywords: *Education, Employment, Unemployment, Manpower Planning, Labour Market, Graduate, Labour Organizations and Recruitment*

L INTRODUCTION

In the recent past, specifically since the middle of 1980s, there has been an alarming increase in the rate of graduate unemployment and its attendant social and economic problems. For most developing countries like Nigeria, Governments and policy makers are increasingly finding it difficult to deal with graduate unemployment successfully. This high rate of unemployment can be blamed on the lack of adequate provision for job creation in the development plans, the ever expanding educational growth and the desperate desire on the part of youths to acquire University education irrespective of course and course contents. As a result, a number of skills acquired from the University appear dysfunctional and irrelevant. With each passing academic year, more and more graduates are being turned out from the various Universities in the country.

In spite of the problem of job creation, there has continued to be the proliferation of higher educational institutions in Nigeria. The demand for higher education is on the increase. From one University in 1948, Nigeria now has more than hundred Universities and this grows geometrically on a daily basis. Although University education has experienced tremendous expansion over the years, yet, this expansion has been lopsided in terms of spread among the different disciplines(

Akintayo,1990).Consequently, the unemployment of University graduates can be described as a differential one as well as that of mass unemployment.

Folayan (2006) revealed that planning in Nigeria took its root from 1945 after the proposal of a ten year development plan in 1942.It resulted in the need to connect education with national development and the world of work.

The essence of formal education in general and University education in particular is for better placement in the world of work, better income and better life for its recipients. As highlighted by Russell (1980), education is designed to transmit the fundamentals of the culture, instill a sense of national political purpose, develop social values and teach knowledge and cognitive learning skills. This involves the education and training of people for manual and professional skills capable of preparing them for job placement and effectiveness in production.

Fafunwa (1974), described the purpose of education as basically functionalism. That is, for immediate induction into the society and a preparation for adulthood. In the African society as he puts it, the main emphasis was social responsibility, job orientation, and political participation, spiritual and moral values. It is therefore generally believed that the central purpose of education has been to prepare

people for work, attainment of national development and remain relevant in the comity of nations.

Nigeria, according to pronouncements from government circles and vision 20:2020 wishes to be amongst the twenty economically viable countries of the world by the year 2020. This would certainly be difficult to achieve when able bodied men and women who graduated from Nigerian Universities are unemployed or and unemployable.

In order to make Nigerian graduates employable, it is important that governments at various levels review educational curricula. Education and schooling must be related to work. A large number of those graduating from the University system do not have any specific jobs into which they could be placed on graduation.

The Governments in Nigeria had attempted to curb graduate unemployment, especially, through the National Directorate of Employment (NDE), encouragement of Entrepreneurial courses in academic curricula of some of the Universities, crafts and technical vocations, National Youth Service Corps Scheme and so on and so forth.

As laudable as these programmes have been, the effect of the programmes have not been very significant. Many writers in the past have suggested that the only way out of unemployment is by creating more jobs. Among them is the report of

Karcher (1979) in a report entitled "Unemployment and Underemployment in the People's Republic of China". In this report he asserts that economists and planners should invariably turn their attention to the creation of employment opportunities as it is the only source of income for the poor.

The president of the Federal Republic of Nigeria, Dr. Goodluck Jonathan, emphasized the need for graduates to be innovative and self reliant (Eko Kopa, 2010). However, it must be realized that the existence of a vicious circle of poverty in Nigeria of today, is a serious limiting factors to the achievement of this objective.

The Pearson Commission Report on International Development (1969) states that:

"in many, if not most of them (developing countries) unemployment is turning into a major social problem and obstacle to development. The failure to create meaningful employment opportunities is the most tragic failure of development and under-utilization of human resources have increased in the 1960s and that the problem will grow even more serious"pp22-23

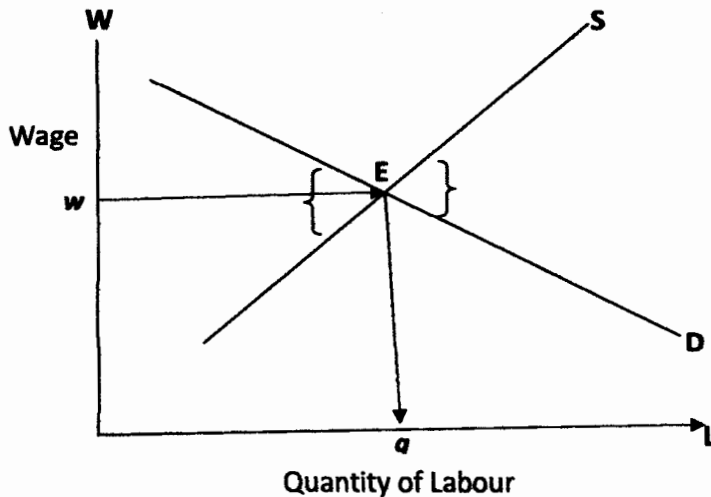
This is certainly a forecast of what is currently operating in the present day Nigeria. Since job creation has continued to be more cumbersome and expensive there is the need to search for solutions

through other approaches. This study proffers such solutions.

STATEMENT OF THE PROBLEM

Over the years, the gap in the supply and demand for graduates has increased. This problem can be better appreciated with the help of a sketch equilibrium wage diagram. Under the assumption that graduates fall under the most highly priced labour, the law of supply and demand for labour can be brought into play. It must be first understood that the higher the wage, the greater the supply of labour. On the other hand, the higher the wage, the lower the demand for labour. Given this basic assumption, the concept of shortages and surpluses can be explained.

The Equilibrium wage



- w = Wage at point of equilibrium
- q = Equilibrium quantity of labour supplied and demanded.
- E = Point of interception between the forces of supply and demand for labour.

Any point above E represents a surplus situation. That is, a high supply of graduates unemployed because of the proliferation of universities. The quantity being demanded for by the labour market or labour employers are getting lesser and lesser each passing year. This situation explains the problems of the widening gap between graduate supply and demand in Nigeria. Though many attempts have been made by the Government to create jobs for her youths, the most visible being that of the establishment of the National Directorate of Employment (NDE), the problem is still with us. Hence there is the need to look inwardly and identify the loop-holes within the labour organizations themselves that could be exploited to reduce graduate unemployment.

OBJECTIVES OF THE STUDY

The major objective of the study is to provide assistance in the form of working tool for educational planners, policy makers and the

Employers of labour from both the public and the private sectors of the economy to enhance efficiency and marketability of Nigerian graduates.

Other Objectives are to:

- 1. Establish the impact of relevant areas of qualification on Recruitment policies of labour organizations.**
- 2. Establish the influence of quota system and other government policies on recruitment.**
- 3. Evaluate the impact of a graduate's possession of years of working experience on employment policies of labour organizations.**
- 4. Determine the impact of a post-graduate qualification in required discipline or field of study on employment policies of labour organizations**
- 5. Examine the influence of the exhibition of real business skills and understanding of industry on employment policies of labour organization.**
- 6. Assess the contribution of the proliferation of Universities on the labour market**
- 7. Establish the effect of the financial status and preference accorded University graduates from Foreign Land – U.S.A., UK, and Germany etc.**

SCOPE OF THE STUDY

The study can be described as a macro-study because of its coverage of major Industries in Nigeria. Though, limited to Lagos, most companies –in Nigeria have their Headquarters and major operational outfits in Lagos.

The employers of labour used for the study spanned through private, public and jointly owned labour organizations and establishments. They were sampled from four major sectors of the economy namely:

- i. the manufacturing, mining and construction sector;
- ii. the service oriented organizations;
- iii. financial Institutions.
- iv. educational Institutions.

II. EMPIRICAL AND THEORETICAL PERSPECTIVES

The issue of unemployment of products of formal education is a long standing one. It dates back essentially to the 1960s, even though the issue of graduate unemployment came to the lamplight only in the middle 80s in West Africa in general and Nigeria in particular. Okedera (1984) attributed the upsurge in the quantity and quality of educated unemployment to the height of discrepancies found

Suppose the production of graduates in different specialization and the absorptive capacity of the labour market. Economists like Schultz, Bowman and Becker in Akangbou (1985) have suggested that a stock of required skills is needed for physical capital accumulation for a rapid economic growth. Hence, they suggested that there is a need to look into the objectives of the educational sector and then relate school to work. This call becomes more relevant today as the number of educated persons in Nigeria exceeds the employment opportunities available to our graduates.

Theoretically, the frame of reference within which the facts about human labour as a factor of production, as well as the present rate of employment was examined. This is necessary because the country like many others is going through economic melt-down. This study adopted suitable theories and model of labour, employment and economic stabilization devices of the government to explain certain existing relationships. The theories used are the classical and the optimal search theories of the labour market.

The Classical Theory of the labour market and the aggregate supply function propounds that the producer of goods and services consider the maximization of profit as the essence of staying in business. Hence, they are determined to minimize the cost of production. The theory implies that the

firm will hire or employ workers only up to the point where the value of the marginal product equals the wage rate.

The Optimal Model as propounded by Allan Dragen (1986) was designed to show the relationship between the general aggregate demand and aggregate supply of labour with the rate of unemployment in a nation. He expects that in general equilibrium, unemployment rate feeds back into aggregate demand to yield low employment equilibrium. This model expects that voluntary and involuntary unemployment simultaneously exist. This model pictures the state of disequilibrium in the labour market. As a result of the economic melt-down, there is low recruitment by firms, labour organizations or establishments.

The theories so far mentioned have identified the role of the government, policy makers, employers of labour and the behaviour pattern of the generality of consumers in a nation's economy. These roles determine the state of economic equilibrium of a country. Hence, this study has tried to investigate the extent of effect of these economic actors and indicators on the current problem of graduate unemployment in Nigeria.

The related literatures have tried to trace the historical trends in youth employment and unemployment over the years. Schultz, Bowman, Becker and the likes as cited in Akangbou (1985)

Believe that increase in the stock of human capital can accelerate natural development. Adeyeye, Ogundele and Akintayo,1990 criticized the manpower planning and educational system of past and present policy makers. Some other scholars blamed graduate unemployment on mad-rush for paper qualification. The need for a closer look at the educational content to ensure tie between job demand and the educational course content was suggested by authors like Akangbou (1985) and Akintayo (2006).

The related literature so far reviewed has helped to achieve the following broad objectives:

- (a) Understand the incidence of graduate unemployment and its consequences.
- (b) Implication of proliferation of University Education.
- (c) Need for an urgent review of manpower planning.

Admittedly, factors such as the proliferation of formal educational Institutions, inappropriate manpower planning procedures and the like were identified as factors contributing to higher rates of graduate unemployment over the years. Nevertheless, this study investigated the factors within the labour market itself that affected the demand for University graduates in the last 20 years.

In doing this, the following hypotheses were postulated and tested at .05 level of significant

- I. H_1 There is a relationship between years of experience and hiring/placement of University graduates by labour organizations.
- II. H_1 There is a relationship between areas of specialization/courses studied and hiring/placement of University graduates by labour organizations.
- III. H_1 There is a relationship between foreign degrees and degrees acquired locally when it comes to the issue of hiring/placement of University graduates by labour organizations.
- IV. H_1 There is a relationship between Government's Economic Policies and hiring/placement of University graduates by labour organizations.

III. METHODOLOGY

DATA COLLECTION

The population of the study comprised public and private organizations in Lagos. 110 copies of structured questionnaire were sent out. Very senior and top management staff answered the questions accordingly as shown in table 3.1 that indicates the names, number and status of respondents

Table 3.1: Data Collection Structure

| | | |
|---------------------------------|----|---|
| Financial Institutions | 20 | Heads of HR and other senior officers in charge of recruitment. |
| Manufacturing | 20 | Personnel/HR Manager |
| Tertiary Institutions | 20 | Registrar/Provost |
| Government Establishment | 20 | Permanent Secretaries/Director And General Manager. |
| M.A.N | 10 | Director – General. |
| LCCI | 05 | Director – General. |
| Total | 95 | |

The calculated rate of returns of questionnaire is $\frac{95}{110} \times 100 = 86.4\%$

MEASURES

Classical and optimal research models were adopted in measuring the behaviour of employers of labour from different establishment and organizations looking at four areas:

1. Experience and pattern of recruitment.
2. Area of specialization/academic contents.
3. Perception of employers of labour on Foreign degree
4. Government economic policies and employment.

METHOD OF DATA ANALYSIS

For the analysis of data, we used frequent counts, simple percentages and chi-square (X^2)

IV. RESULT AND DISCUSSION OF FINDINGS

The findings are presented as follows:

1. Experience

Investigated, is the issue of experience as required by labour organizations for recruitment and placement of workers in responsible positions. The study reveals that experience is the only factor that

that guarantee competencies and skills required in the contemporary world. Responses on the issues of work experience were got from 95 respondents used for this study. 76% argued that years of experience in a particular job was a strong factor in recruitment. Using X^2 at a degree of freedom of 0.05, the null hypothesis was accepted as the calculated value of 56.37 is greater than the tabulated value of 5.99.

2. Area of specialization/Academic contents

The study revealed that some courses are not marketable or job related. Out of 95 copies of questioner sent out, 82 of the correspondents observed that some graduates read courses which were not useful to their organizations in any form. Using X^2 at a degree of freedom of 0.05, the null hypothesis was accepted as the calculated values 6.52 is greater than the tabulated values of 5.81

3. Foreign graduates

This study also investigated how labour employers have rated certain categories of university graduates. The study revealed that graduates from foreign land are preferred to graduates from Nigerian Universities. This is captured in the respondents' answer with 95.05% agreeing and 04.95% disagreeing. Using the X^2 at a degree of freedom of 0.05, the null hypothesis was accepted as the calculated value of 6.59 is greater than the tabulated value of 5.99. This finding is very significant in the

sense that it would enable the Educational Planners, University Senates, Directorates of Academic Planning in Nigerian universities, to revisit academic curricular of their institutions for purposes of including those "ingredients" that can possibly enhance the marketability of their products.

4. Government's economic policies on graduate employment.

The above hypothesis was formulated to test the relationship between government's policies and recruitment of university graduates. The essence and relevance of this investigation to the study is to ascertain the impact of selected economic measures on labour organizations. If economic policies are counterproductive, less and lesser number of graduates will be engaged in the labour market. This is in line with Lindauer's theory of stabilization, inflation and unemployment. 78% admitted that unfavourable economic policies would affect employer's power of hiring workers negatively. Using X^2 at a degree of freedom of 0.05, the null hypothesis was accepted as the calculated value of 57.36 is greater than the tabulated value of 5.99.

**CONCLUSION
AND
RECOMMENDATIONS**

AND organizations to employ graduates particularly those coming out of Nigerian universities.

CONCLUSION

Based on the results of our investigation, the study concludes thus:

Many university graduates are edged out of the labour market because of the quality and quantity of products that come out of them. It was discovered that the various labour employers do not have absolute confidence on the practical knowledge gained by graduates in the universities. Although the labour users believe that an appreciable amount of the work ethics and acumen can be gathered in the universities, yet graduate employment cannot be guaranteed except there is a high degree of confidence placed on the graduates.

Apparently, the labour employers have been known to place premium on the graduates from foreign land. Only a few, with good grades and who perform creditably in interviews are favoured by the labour organizations where merit is the only factor determining who is hired.

The Government's economic policies have had various levels of adverse consequences on graduate employment. Quota, embargo, taxation, tariff packages and many government's policies have impacted negatively on the ability of labour

RECOMMENDATIONS

The results of this study necessitated the need to implement the following radical recommendations without further delay. These recommendations are mostly for policy implementation rather than huge monetary investments. That is, not much of finance will be required to implement the recommendations. Rather, a re-ordering of priorities must be ensured.

The Government or policy makers have a duty of improving the quality of the university's academic activities in Nigeria. In this regard, emphasis should be placed on standard improvement rather than the proliferation of Universities. Monies spent on establishing new Universities, particularly proposed nine regional universities, should be harnessed to improve the standard of the existing ones.

A system in which the universities get feedback from labour organizations on the developments in the labour market must be established. This is necessary to make the required curricular adjustment.

Since the labour users expect some level of experience and practical exposure from graduates, Universities should work out more detailed practical

in collaboration with major employers of labour, Manufacturer Association of Nigeria, Nigerian Employers Consultative Association, different Chambers of Commerce and Industry located all over Nigeria and the Industrial Training Fund (ITF). This is a way of relating studies to work.

The university must restructure her mode of information dissemination (which is the lecture method) in a manner that does not give room for too much of abstract learning which may not be relevant to the world of work.

The problem of discrimination against graduates from Nigerian universities will be tackled when the curricula incorporate courses that would enhance graduate productivity at work.

While a scheme to ensure graduate employment after graduation is being advocated, all final year students of the universities and youth corps members must be well tutored to know the existing small scale artisan jobs that they could decide to employ themselves in.

A lot needs to be done in terms of the kind of economic policies being operated by the government. Results have shown that all the economic policies operated by the government have contributed to the present level of unemployment among Nigerian graduates.

Graduate unemployment can also be reduced by reviewing the present admission policy in Nigeria. Manpower planners should ensure that only the number that is needed by the economy is admitted by the universities. Other types of higher educational system would accommodate the rest that are clamoring for higher education.

IMPLICATIONS FOR FURTHER STUDIES

This study raises certain questions about inconsistencies in the production and utilization of graduates from Nigerian universities. Although recommendations have been given along this line, more studies need to be carried out to find out the advantages and disadvantages of the suggestions raised. Such studies should deliberate on how workable these suggestions are and necessary modification effected.

Finally, the issue of educational requirements by the labour market in Nigeria should be studied. The exact direction of economic growth in Nigeria should be investigated. When this is determined, the type of educational changes that must be implemented would be specified. In that case, seekers of higher education should be well informed about the expectations of the labour market and become better prepared for the work.

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