

## **Employment Rate of University Graduates in Private and Public Organizations: Implications for Policy and Practice in Nigerian University System**

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### **Abstract**

*Employment commands a central place in the labor market policy. It is a key element aimed at making the labor market function better, equipping people with the right skills for employment, and improving job quality and working conditions. This study therefore compared employment rate of Nigerian university graduates in private and public organizations in Lagos State of Nigeria. Two research hypotheses were formulated to guide the study. The study had a sample size of 300 heads of personnel units across major sectors of the economy using the stratified random sampling technique. Employment Rate Questionnaire (ERQ) and Employability Rate Records (ERR) were used for the study. The study revealed that there was a significant difference in the employment rate of private and public university graduates in private and public organizations. It also showed that there was a significant difference in the rate of employment of Nigeria's private and public university graduates in organizations. Consequent upon these findings, it was suggested that private and public employers should not discriminate when recruiting graduates from private and public universities.*

**Keywords:** Employment rate, University Graduates, Private Organizations, Public Organization.

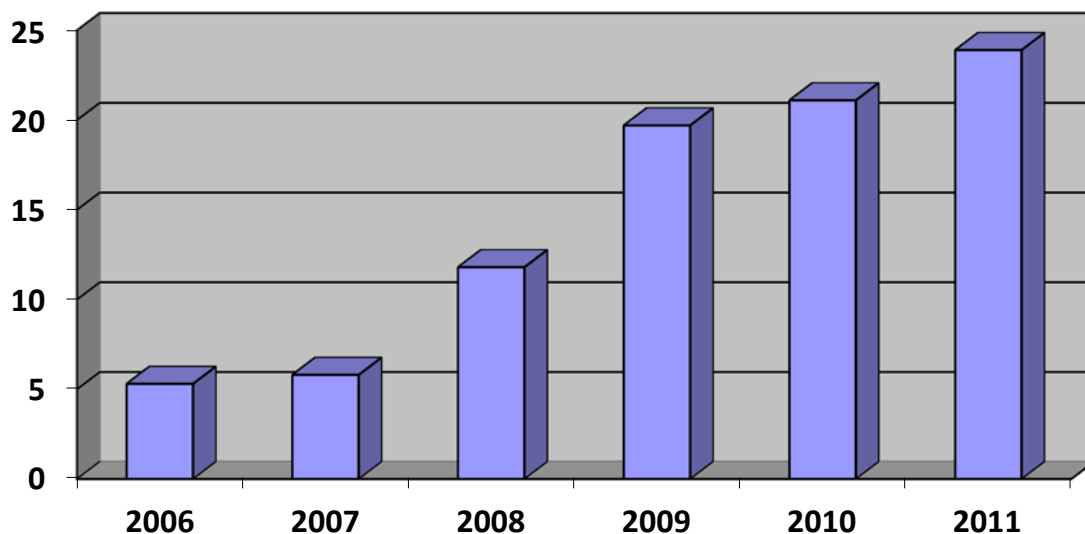
### **Introduction and Literature Review**

Private and public organizations play a vital role in the economic development of any nation. Organizations which could be private or public, function as a result of human presence. The human resource of such organizations is expected to have acquired some level of education. In Nigeria, university education in most cases, is required for securing employment opportunities into the private and public organizations. This is directed at providing functional and relevant human resources to facilitate the achievement of organisational goals and economic advancement of the nation.

A University graduate is an individual who has completed a course of study and has been awarded a first degree from a university. Traditionally, these graduates in Nigeria are in quest for employment opportunities after their one-year compulsory national youth service. Employment therefore is one of the most important social and economic challenges in most developing nations. Employment refers to the job or occupation that people engage in for pay in cash or kind. Within the context of globalization, world economy is experiencing expansion with healthy growth in employment rate (Dorothea, 2006).

Employment rate is the percentage of the labor force that is gainfully employed in a country. It is one of the economic indicators that is used to examine and understand the state of the economy. In spite of this global expansion in labor, CBN (2001) noted that developing nations like Nigeria is experiencing a low rate of employment.

Figure 1 shows that the rate of unemployment in Nigeria reached an all-time high of 23.9 percent in 2011 from 21.10 percent in 2010 and a record low of 5.30 Percent in 2006. Unemployment Rate in Nigeria averaged 14.60 percent from 2006 until 2011 (National Bureau of Statistics, 2012). This means that over 9 million Nigerians are unemployed, a rate that is above the average of 9.5 percent for sub-Saharan Africa.



**Fig. 1: National Unemployment Rate in Nigeria (2006-2011)**

Unemployment rate becomes more disturbing in Nigeria when viewed against the background that majority of the unemployed acquire one form of formal qualification or the other. With the expansion of university and university education, graduates are churned out in their numbers and they seek hopelessly for employment opportunities. Observations show that Nigerian university graduates wander the streets in quest for jobs for years after graduation without finding any. Sometimes, out of desperation and frustration, they get absorbed in menial jobs or are underemployed upon graduation (CBN, 2001). This trend is getting worse by the day. Currently, Nigeria has 40 federal, 39 state and 50 private approved universities but what obtains is graduation and dwindling employment rate resulting in declining shape of economic growth. Besides the sluggish growth rate of the Nigerian economy, it lacks the structural and transformation capacity that is sufficient to expand employment opportunities for the long bloated labor market. In other words, whatever growth that takes place in Nigeria is not labor intensive and as such cannot generate a commensurate proportion of jobs for the unemployed university graduates.

The analysis of labor statistics indicates that the unemployment rate for university graduates in Nigeria may be around 25 percent and that their prospects for employment have worsened over time (Dabalén, Oni and Adekola, 2000). In addition, the number of graduates going into the private and public sector has fallen drastically. Yet, the recent labor market surveys (National Manpower Board, 2000) calculated employment rates by educational levels and the average unemployment rate across all metropolitan areas was 17 percent. The survey showed that for every 100 university graduates, 58 reported being unemployed. The severity of the unemployment problem among graduates varies across regions. For instance, graduate unemployment was negligible in two of the Northern metropolitan areas included in the survey (Jos and Kano), it approached 40 percent in some areas of the South. Although in many of the local markets, unemployment rates for university graduates are lower for individuals with polytechnic/monotechnic education in places such as Aba and Lagos where the rates are higher for university graduates.

As noted by Simeon-Fayomi (2011), insufficient of entrepreneurship education in the curricula of Nigerian universities might be a factor responsible for the high rate of unemployment among graduates. Entrepreneurship education is the process of planning, operating and assuming the risk of a business and it centers on innovation, creativity and risk taking. Entrepreneurship education makes it possible for graduates to start off something on their own without undue reliance on the government to create jobs. Lack of entrepreneurship education is reinforced by our value orientation that every educated person must secure a paid employment either in the private or public sector. This

value system aggravates low employment rate because the available paid job opportunities in Nigeria cannot absorb all the unemployed university graduates.

Besides the insufficient of entrepreneurship education, the curricula and pedagogical arrangements are obsolete, therefore they cannot meet the challenges of today's workplace. In other words, the graduates from Nigerian universities are not found employable due to the compromised standards, infrastructural decay and lack of employability skills (Obanya, 2004; Odiya and Omofonmwan, 2007; Dike 2010, Adebakin, 2014). The existence of this skill deficiency discourages both private and public organizations from employing university graduates. This is because employers have to train and retrain them to fit into the organizational operations. The huge resources ploughed into such training programs have serious impact on the organizations' profit margin. This, according to Adebakin (2014), explains why most banks and some private organizations prefer employing Nigeria Certificate in Education (NCE), Ordinary and Higher Diploma Certificate holders from polytechnics and monotechnics who they will train, pay low remunerations and at the same time maximize profits.

The Nigerian public and private business organizations desire university graduates who can think on their feet and determine ways to accomplish tasks. When compared to critical thinking skills, content has become less important to employers based on their ability to impart through experience the subject matter required for the job (McQuaid, 2006; Pierce, 2002; Aworah, 2005). Therefore, the nature of university education and structure of the contemporary Nigeria labor market have placed increased emphasis on employability of university graduates. It is against this background that this study was set to compare the rate of employment of Nigerian university graduates in private and public organizations in Lagos State.

### **Problem**

Private and public universities in Nigeria produce graduates in large numbers on yearly bases, whereas, public and private organizations decried the quality of these graduates. Universities appear to be doing little or nothing about the situation as they continue to produce, year-in-year-out, graduates that continually need to be retrained. Will employers be willing to recruit these graduates? Why the alarming unemployment rate among Nigerian university graduates? It is the onus of this study therefore to investigate employers' readiness in recruiting what they call 'unproductive labor force'.

### **Hypotheses**

1. There is no significant difference in the employment rate of university graduates in private and public organizations.
2. There is no significant difference in the employment rate of private and public university graduates in organizations.

### **Methods**

The descriptive survey research design was used for the study. The study sample comprised 300 heads of personnel units from private (150) and public (150) organizations. The selection of heads of personnel units was based on stratified random sampling technique using the type of organisation as stratum. The sample organizations span across major sectors of the economy such as education, health, banking/finance/insurance, construction, production, communication, transport and hospitality drawn from Lagos State, Nigeria. A questionnaire titled Employment Rate Questionnaire (ERQ) and the Employability Rate Records (ERR) were the instruments used to elicit information on the rate at which private and public organizations employ both public and private university graduates in sampled organizations. Data gathered were analyzed with the t-test at .05 level of significance.

### **Results**

**Ho<sub>1</sub>:** There is no significant difference in the employment rate of university graduates in private and public organizations.

**Table 1: Rate of Employment of University Graduates in Private and Public Organizations**

Employability Rate	$\bar{x}$	SD	N	t-cal	t-tab.
Private Organizations	5.35	1.66	300	2.88	1.960
Public Organizations	5.73	1.76			

*Sig, df= 298, p=.05*

Table 1 shows the employment rate of university graduates in private and public organizations. The Table reveals a significant difference in the employment rate of university graduates in private ( $\bar{x}$  =5.35) and public ( $\bar{x}$  =5.73) organizations. It further shows that the computed t-value (2.88) is greater than critical t-value (1.960) which invalidates the null hypothesis. Thus, the hypothesis was rejected. Therefore, there is a significant difference in the employment rate of university graduates in private and public organizations. This implies that rate of employing university graduates in private and public organizations are significantly different.

**Ho<sub>2</sub>:** There is no significant difference in the employment rate of private and public university graduates in organizations.

**Table 2: Rate of Employment of University Graduates from Private and Public Universities**

Graduate	$\bar{x}$	SD	N	t-cal	T-tab.
Private University	5.41	1.59	300	2.65	1.960
Public University	5.65	1.46			

*Sig, df= 298, P=.05*

Table 2 presents the rate of employment of university graduates from private and public universities. The Table shows a significant difference in the rate of employment of private ( $\bar{x}$  = 5.41) and public ( $\bar{x}$  =5.41) university graduates. It further reveals that computed t-value is higher than critical t-value (i.e  $t_{cal.} = 2.65 > t_{tab.} = 1.960$ ). Thus, the hypothesis was rejected. Therefore, there is a significant difference in the rate of employment of Nigerian private and public university graduates in organizations. This finding signifies that employers hire more public than private university graduates.

### Discussion

This study revealed that there is a significant difference in the employment rate of university graduates in private and public organizations. This implies that the rate at which university graduates in private and public organizations are employed is significantly different. Public organizations seem to employ more university graduates than private organizations. This finding was substantiated with experience shared by some private organizations where they take preference in NCE, OND and HND holders as substitute for university degree holders. The National Bureau of Statistics (2012) indicated 11.8 percent unemployment rate among Nigeria youths in 2004 and 23.9 percent in 2011 which signifies that over 9 million Nigerians graduates are unemployed. This rate is above the average rate of 9.5 percent for sub-Saharan Africa. Nigerian Institute of Personnel Management (NIPM, 2000) confirmed that the employability rate of university graduates in Nigeria is on a rapid decline. As organizations are faced with stiff market competition, an arising concern is that current graduates do not match the needs of business. Ssempebwa (2008) reported that employment opportunities for university graduates are dwindling; the periods spent searching for jobs is getting longer and graduates are contacting an increasing number of employers before they secure jobs. This situation becomes more disturbing when viewed against the background that majority of the unemployed acquire one form of university qualification or the other, yet, they seek hopelessly for employment opportunities. Observations have shown that Nigerian graduates wander the street in search of jobs

for years after graduation without finding any. Andrews and Higson (2007) and Dabalén et. al. (2000) for example, reached similar conclusions. Sometimes, out of desperation and frustration, they get absorbed in menial jobs or are under-employed upon graduation (CBN, 2001), this disgusting trend is getting worse by the day.

The study also revealed a significant difference in the rate of employment of graduates from private and public universities. This finding signifies that employers hire more public than private university graduates. Contrary to this finding, Mottanya (2013) found that Kenyan employers prefer graduates from private universities to public ones because graduates from private universities in Kenya are more competent and exude high personal confidence and job competence as opposed to their counterparts from the public universities. Interviews conducted revealed that in Nigeria, most employers do not prefer a specific degree while recruiting fresh graduates from the universities. They increasingly view any degree as the threshold for considering an applicant for recruitment. Possession of a degree indicates "I have the ability to learn, to manage myself, and to grow" in Nigerian context. Holding a similar view are Uzoka and Adetoro (2009) who found that there is no significant difference between manpower supplied by the universities and the requirements of the labor market. The duo further posited that the problem of unemployment may not be traceable to the quality of university output but to some other factors which may be associated with the individual involved.

### **Discussion**

The rate of employing university graduates in Nigerian private and public organizations differ. This submission is akin to the literature reviewed in this study. The study therefore concludes that employment rate of private and public university graduates in the private and public organizations is generally on the decline. This study therefore suggests that:

1. Private providers of university education should provide enabling environment and required facilities to sufficiently equip their products with appropriate knowledge, skills and attitude for effective participation in a very competitive labor market.
2. Public universities need to be well funded by government towards providing required facilities so that graduates would be sufficiently equipped with appropriate knowledge, skills and attitude for effective participation in a very competitive global society.
3. Employers (private and public) should not discriminate when recruiting graduates from private and public universities.
4. University teachers could encourage students to use their discipline-focused knowledge and skills to enhance their own employability competencies and employment prospects.

### **Implications for policy and practice**

Findings of this study have far reaching implications for policy and practice generally, education managers, university administrators, curriculum planners and researchers. The findings provide a depth of high data, the analysis of which has highlighted the value of employers' insight into graduate employment rate. However, the following are different policy areas relevant to graduate employment in Nigeria:

#### ***Development of the Curricula to Incorporate Employability Competencies***

In considering the introduction of the employability competencies into undergraduate teaching and learning, it is necessary to reflect on how the concept of employability may be introduced into the undergraduate curriculum. One solution would be to introduce business employability skills as a module in itself. Such a module, which could be introduced in addition to the discipline-focused content of the curricula, would enhance greatly graduates' employment prospects. Whilst the introduction of employability module would be of great value to graduates, it is acknowledged that fixing it in the existing timetables might prove impossible. Thus, the most sensible and practical approach would seem to be introducing employability into each area of the curriculum.



### ***Involving Employers and Graduates in Undergraduate Teaching and Curricula Development***

Another method of enhancing graduate employability is to involve employers and graduates in undergraduate teaching and curricula development. This will raise undergraduates' awareness and knowledge of the relevance and applicability of classroom-based learning to the labor market.

### ***The Importance of Work-based Learning***

Majority of employers drew attention to the role played by work experience in equipping graduates with many of the necessary skills required in the workplace. Work-based learning in the form of formal work-placements (industrial attachment, teaching practice and internships) was noted as being particularly valuable. This will enable students to put into practice discipline-focused knowledge and skills, whilst enhancing their employability skills and productivity level.

### ***Harmonization of Employability Skills***

Similarities in employers' experiences and perspectives in both private and public organizations in this study suggest that there is a need to harmonize employability skills across the undergraduate curriculum throughout the Nigerian universities. While such skills may be adapted to suit individual abilities and organizational requirements, there is need for a single/unified approach to employability. Such approach will promote graduate employability while reducing inequalities in university graduate employment.

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