

UNIVERSITY GRADUATES' EMPLOYABILITY SKILLS' MISMATCH AND THE LABOUR MARKET DEMANDS IN KENYA

Anne Kalei (PhD.)*

Lecturer, SoB MKU, P O Box 342 – 01000 THIKA, Kenya

***Corresponding Author:-**

Abstract:-

This study aimed at establishing whether there were skills mismatch between university graduates and Job Market expectations. The study objective was to establish whether there were skills gap between employers' expectations and what the university graduates possess. The study targeted 10000 university graduates from chartered Kenya's public and private universities, and 2,500 employers registered with Federation of Kenya Employers (FKE). Systematic research design and stratified research designs were used to sample 1000 graduates and 250 employers (HRM) respectively. Questionnaires, were data collection instruments. Cronbach's alpha coefficients was used to assess the internal consistency of the measuring instruments. Statistical Package for Social Sciences (SPSS) version 21 was used to analyse data. Both descriptive and inferential statistics were utilized. The descriptive statistics revealed that there were employability skills gap between employer's expectations and what the university graduates had. The study found out that employability skills of graduates in Kenya are now considered to be the most important skills which the employers pay keen attention to.

Keywords: - *Unemployment, graduates' skills*

INTRODUCTION

Unemployment is one of the greatest ills of society today, and it deserves the attention of university scholars in Kenya and elsewhere [Amimo, 2003]. Unemployment scenario of the graduate level in Kenya has been a serious problem [Musyoka, 2008]. This statement is confirmed by a statement made by the Commission for University Education [CUE] Chief Executive, when he said that his agency has begun to tackle standard reforms after receiving complaints from employers about graduates they hired who were not adequately equipped with employable skills. However, the prevalent dilemma of lack of employment among graduates is caused by imbalances due to expected skills by the ultimate employers and what the graduates actually possess [Nafula, 2005]. The issue of the graduates' employability has long been discussed and the debate still continues. With the world of employment moving rapidly, traditional career path is no longer the best choice. The entire industries are looking for 'excellent' worker who are able to compete with the ever challenging environment.

Background

One of the main objectives of university education is the acquisition of relevant practical skills for gainful employment, and to identify and provide solutions to societal problems [Leon, 2002]. However, it is widely observed that the current university education and training system does not produce graduates to meet the needs of the labour market [Weligamage & Siengthai, 2003]. There are concerns worldwide that existing undergraduate programmes are not producing graduates with the kind of skills which they need in order to be successful in their professions [Harvey & Green, 1994]. The grumbles of employers globally about the inadequacy of employable skills have been longstanding [Hesketh, 2000]. Further, it has become common cause for employers to express concern about the gap between the outcomes of higher education (in terms of quality, type and quantity of graduates), and the needs of economy (Yorke, 2006; Harvey, 2001).

The gap between employers' demand and fresh graduates is expanding [McHardy & Henderson, 1994]. It has become common cause for employers to express concern about the gap between the outcomes of higher education [in terms of quality, type and quantity of graduates], and the needs of economy [Yorke, 2006; Harvey, 2001]. The authors note that this gap has resulted in the graduates having difficulties in seeking employment. McHardy and Henderson argue that, there may be jobs in the market, but many graduates may not fit into the positions because they lack the necessary skills that their prospective employers are looking for. This may be as a result of institutions not preparing graduates for the creative workplace environments that are becoming more common as organizations seek to develop creative competencies as one of their few sustainable competitive advantages in today's marketplace [Driver, 2001].

Literature Review

Unemployment is displayed as seasonal layoffs, technical adjustments in industry due to increased automation, lack of necessary skills by workers, racial discrimination and instabilities of the local economies (Nyandusi, 2001). It is a fact that lack of employment is a global problem. At independence in 1963, the Kenya government identified poverty and unemployment as the twin challenges facing the country. However, the employment challenge has been growing overtime with the youth being the main casualties (Republic of Kenya, 2008). The youth in Kenya constitute 30% of total population while youth unemployment constitutes 78% of total unemployment. This menace of unemployment poses a greater risk to the growth and strength of this country.

The phenomenon of unemployment among university graduates is evidenced by the prevalence of joblessness among the educated youths. This has been on the rise, hence fuelling their frustration. Unemployment is involuntary idleness due to lack of work. It refers to persons belonging to the labour force, seeking but not doing any work during a specified period". In Kenya the gap between employers' demand and fresh graduates is expanding. There are very many graduates who are either unemployed, under-employed or working in an area unrelated to their specialisation.

The study was informed by two theories which are: Job Matching Theory (Beardwell et al.,) which states that a mismatch between the required skills and the skills a graduate actually possesses has important consequences for productivity, wages and probability to get a job and Human Capital Theory (Becker, 1964). It was developed in a period of full employment, where individuals make their choices without uncertainty about the possibility to hold employment after training. Today, in economies experiencing high rates of unemployment among graduates of higher education, the assumption of the absence of the influence of unemployment on the choice of investment in education is difficult to sustain, the author argues.

This trend of inadequacy of employability skills also applies in the developing countries. In Kenya, the unemployment rate caused by lack of employability skills is a major concern that needs urgent attention [Amimo, 2003]. This phenomenon of employability skills, as expressed by Musembi [2011] is manifested in lack of such skills as oral communication, team working, problem solving etc. among university graduates. Muthee [as cited by McEnrue, 2011] puts the unemployment rate for youth 15-35 years old at 65%. According to [Nesoba, 2010; Mwirigi, 2011] new graduates struggle to find jobs because they still lack the necessary skills to meet the job market demands. According to Ministry of Youth Association (MOYA 2006:3) only about 25% of youth are absorbed, leaving 75% to bear the burden of unemployment. Furthermore, some of those absorbed in the labour market have jobs that do not match their qualifications and personal development goals. Foster (2006) argues that statistics do not take into account the fact that some graduates

may have taken lower level jobs in order to deal with financial pressures, particularly after incurring debts through their studies.

Education in Africa has proved to be almost irrelevant to the demands of industry in a globally competitive environment. Africa needs graduates who have competences in their area of specialization. Kenya's case and indeed that of the East African communities and to some extent the COMESA countries is a clear demonstration of the mismatch between industry demands and what our universities are producing. If we produce graduates whose skills and knowledge match industry demands, we shall be able to solve the graduate unemployment problem in Kenya and other countries as well (Amimo 2003).

The Concept of Employability

To many people, employability is simply about getting a job. However, there is so much more to employability than gaining employment. Yorke & Knight (2004) define employability as a set of achievements – skills, under-standings and personal attributes – that make graduates more likely to gain employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and the economy. Further, the authors define employability more comprehensively as the capability to move self-sufficiently within the labour market to realise potential through sustainable employment. In simple terms, employability is the capability of securing and retaining fulfilling job. Hinchcliffe (2004) defines employability as having a set of skills, knowledge, understanding and personal attributes that make a person more likely to choose and secure occupations in which they can be satisfied and successful.

According to Moon (2004) employability is a lifelong issue and nobody is ever perfectly employable. This means that there will always be aspects of a person's employability that would benefit from improvement (Moon, 2004). Lee (2002) argues that employment and employability are different. He distinguishes the two terms as follows: Being employed means having a job, being employable means having the qualities needed to maintain employment and progress in the workplace.

According to Moreau & Leathwood (2006) employability refers to a set of achievements related to skills, understanding and personal attributes that make graduates more likely to gain employment and be successful in their chosen careers, which benefits themselves, the workforce, the community as well as the country's economy. Employability has been used as a performance indicator for university education (Smith et al., 2000). Employability has also been defined from two perspectives: individual and institutional perspectives (Harvey, 2001).

Ingredients of Quality in University Education

The following are the ingredients of quality in University Education.

The students admitted

Students are the focus of the university's academic programmes. They may be viewed as the 'raw materials' of the university enterprise. Quality of students may be characterised by the following indicators: the interest shown in the institution; prior testing or assessment; basis of selection or admission, systems of allocation course of study; job placement; impact and contribution of alumni (Kadii 2012).

Infrastructure in Universities

In recent years, high levels of poverty, lack of infrastructure and equipment in some schools have been a major impediment to access to university education. Despite the effort that the students and graduates have quite realistic perceptions about the employment prospects, they continue to aspire for certain kinds of jobs (white collar, and particularly, in the public sector). They look at these jobs primarily as a vehicle for achieving social prestige and upward mobility in a class differentiated society. This leads them to crowd the educational institutions possibly with a hope that they will ultimately succeed in getting such a job. But the result actually is a mass production of graduates a large number of whom are not wanted by the labour market (Wainaina, 2011).

In spite of these constraints, there is a steady increase in the number of students qualifying for university admission that has not been matched with similar expansion of university facilities. This problem was compounded by the change in education system from the 7:4:2:3 to 8:4:4 which gave rise to a double university intake in 1990/91. In order to meet the increased demand, the Government embarked on an ambitious programme to expand facilities in universities but this intervention was not sustained and some of the infrastructure remains incomplete (Ntarangwi, 2003).

Examination System

In most developing countries, and particularly in Kenya, the examination system makes schools competitive, (focus group interviews and the researcher's experience and participation). In Kenya, some secondary schools set targets for the number of A's the school should obtain in a particular exam. The teachers are motivated through monetary rewards or sponsored for a trip to South Africa, Dubai or China. The effect of this motivation may make the teachers cover what is likely to be tested in the examinations. This trend of just getting interested in only the examination results continues in universities (K'Olale 2013). It is no wonder that some students plead with their lecturers to be told the areas which the examination will cover. According to Odebero (2010) the examination system favours the students with a high capacity to reproduce

the theoretical information. Odebero observes that students are interested in just passing their examination irrespective of whether they have or not acquired relevant practical skills for gainful employment in a particular trade.

Classification of Types of Employability Skills

Self-reliance - self-management, readiness to accept responsibility, flexibility, resilience, time management; proactively, networking, and planning action. According to Gavin (2002) self-reliance skills entails attributes such as self-management, readiness to accept responsibility, flexibility, resilience, time management.

The study focuses on initiative/proactive i.e. the ability of an individual to spot opportunities and potential problems, and take action to get the best outcome as well as working without constant supervision; commercial awareness/networking i.e. understanding the key factors that contribute to an organization's success e.g. providing a quality product; good customer service; well-trained, motivated staff; controlling costs and planning /organized/self-directed i.e. the ability to plan and carry out a workload efficiently and effectively (Yorke, 2006).

People Skills

- Teamwork, communication skills, listening and questioning, respecting others, contributing to discussions. According to Nelson & Simmons (2003) these entails attributes such as teamwork, communication skills, listening and question-ing, respecting others and contributing to discussions. The study focuses on team working, that is, working effectively with other people, interpersonal skills, that is, the ability to work for, with and alongside others, oral communication, that is, ensuring one is understood by writing or speaking in a clear and articulate manner and leadership, that is, the ability to take responsibility for others.

General Employment Skills

- Problem solving, literacy, application of numeracy. According to Kilpatrick & Allen (2001) the above mentioned skills are often referred to as "transferable". This means that they are not only applicable to employment but also across a range of other academic disciplines. The author further emphasizes that in addition to a graduate having all these attributes, the key foundation, must be a positive attitude: a 'can-do' approach, a readiness to take part and contribute, openness to new ideas and a drive to make these happen.

Research Methodology

The study targeted two sets of subjects namely: 10000 university graduates from chartered Kenya's public and private universities, and 2,500 employers registered with Federation of Kenya Employers (FKE). Systematic sample and stratified sample designs were used to sample 1000 graduates and 250 employers (HRM) respectively. Questionnaires, were data collection instruments. Cronbach's alpha coefficients were used to assess the internal consistency of the measuring instruments. Statistical Package for Social Sciences (SPSS) version 21 was used to analyse data. Both descriptive and inferential statistics were utilized.

Major findings of the Study

Response Rate

A total of 1000 questionnaires were emailed to university graduates using the graduate's email addresses obtained from the alumni offices. The 250 questionnaires were issued to the employers (HRM). A total of 800 questionnaires from the university graduates and 200 questionnaires from the employers were returned. This represented an overall return rate of 80% from each set of respondents.

For reliability analysis Cronbach's alpha was calculated. The value of the alpha coefficient ranges from 0 to 1. Since the alpha coefficients were greater than 0.7 for the various items, a conclusion was drawn that the instruments had an acceptable reliability coefficient and were appropriate for the study.

Summary of the Main Findings of the Study

Research hypothesis stated that B. Com graduates were not in possession of the general employment skills, from the study findings this was consistent since regression analysis that reported that B. Com graduates were not in possession of general employment skills ($\beta = 0.787, p < 0.061$). Thus this finding positively supports the argument that in Africa quality training is challenged because of several factors as explained by (Eshiwani, 2009). Hence, this fact explains how B. Com graduates are lacking the general employment skills.

Results from the study indicated that university graduates had specialized in different areas with 23.9% for human resources management, 23% accounting and finance. The study findings were in consistent with Wandiga *et al.* (2007), whose study indicated that Kenyan industry prefers to hire specialized staff, thus the university graduates specialize in certain disciplines so as to secure jobs.

Further, the study hypothesized that there were skills gap between what employers expect university graduates to have and what the graduates actually possessed. The study supported the hypothesis 60% of the university graduates agreed that they lacked the desired skills and 82% of the employers supported lack of graduate skills. The study findings were in agreement with (Gudo, 2013) who asserted that our education system is so much focused on attaining good grades in the exam, which denies the student the chance to acquire the desired skills for the job market.

Conclusion

In conclusion, it is evident that there is a discrepancy between graduates' skills and the requirements of job market. This means that many graduates lack basic employability skills at the time that they are entering the job market. Issues relating to mismatch between graduate skills and employer needs have resulted to graduates' unemployment and social problems.

Recommendations

The following recommendations would be vital to the Government and stakeholders:

- (i) The government and other stakeholders should initiate job exporting strategy of employment.
- (ii) Universities should establish partnerships with the industry and other stakeholders - to align university programmes with the needs of the job market and bring the practical element to the curricula.
- (iii) The stakeholders should establish web-based career guidance portals – this would keep the stakeholders abreast of emerging issues in the market.
- (iv) The universities should establish partnership with the Youth Enterprise Development Fund whose objective is to provide funds to micro-finance institutions for onward lending to youth enterprises.
- (v) Links between universities and business/industry can be enormously helpful in facilitating graduate employability.

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