



The Relationship between Education Levels and Job Outcomes

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Abstract: The purpose of this study is to investigate the upshot of education level on job outcomes. The relationships between the educational level and job outcome were elucidated using previous literature review and existing empirical research work. The pivotal of the study entails elements that are components of educational level and research of job outcomes. The study is qualitative in nature and from the literature review shows that there is a relationship between educational level and job outcomes. Consequently, the significant of educational level shows great job outcomes and improved organizational performance whilst promotes employees mindset to perform their task effectively. Upon conclusion, it was suggested that organization should encourage and build institutional, learning and development culture which entails investing in training and educational literacy of their employees. Also managers should find new techniques to work with employees of low education tendency while employees should improve their educational level to cope with work context equivalent to working environment.

Keyword: Education Level, Job Outcomes, Ability, Knowledge, Work Value, Learning, Development.

Introduction

Education has been the bedrock and foundation of nation's economy aforetime, as a robust tranquilizer in the society, education level development correlates positively with a country's economic output, notably seen as a nation builder. Education level refers to the academic credentials or degrees people has obtained. While education level is an unceasing variable, it is regularly measured emphatically in research studies. In both the labour economics and organizational sciences literatures, there is substantial evidence that individuals' educational attainments are associated with positive career and job outcomes, including salary level, number of promotions, development opportunities and job mobility (Cappelli, 2000; Howard, 1986; Lazear, 1981; Ng, Eby, Sorensen, & Feldman, 2005). It is observed that most organizations use education as an indicator of a person's skill levels or productivity (Benson, Finegold, & Mohrman, 2004), as they recurrently employ it as a prerequisite in hiring decisions. In a different notion, especially in developed countries several organizations subsidize contemporary employees to acquire bachelor's or advanced degrees (Benson *et al.*, 2004) but do not meticulously evaluate the short-term returns (e.g., improved performance) or long-term returns (e.g., heightened occupational commitment) on those investments.

People's educational accomplishments are a vital component of a community's assets as well as an organization's human capital, according to Lepak and Snell (1999). Generous education subsidies in many places are primarily predicated on the idea that public investments in human capital will boost overall economic growth by raising worker productivity (Lanzi, 2007; Trusty & Niles, 2004). In the event that education fails to produce human capital in proportion to investment, organizations may choose to oppose education-related tax increases, relocate to an area with superior educational systems, or create internal programs in place of publicly funded ones (Vinod & Kaushik, 2007).

The prominence of education level in preparing individuals for life through development of skills is acknowledged, as few organizational studies have considered differences in majors. This development through provision of literacy and numeracy skills help to open job opportunities (Cazes & Verick, 2013). Human capital paradigm assumes that *ceteris paribus*, the number of years spent in schooling system or education increases one's ability to get a job (Cazes & Verick, 2013, p. 10). While Gaspar (2009) found education and region to be the main determinants of the probability of becoming employed and improved job outcome. However, the raise of competition throughout business environment requires organizations not to overlook the quality and the element of educational level.

The definition of a job outcome and the factors that influence it, including citizenship, educational attainment, core task behaviors, and counterproductive behaviors, have been discussed and developed in recent years. Core task performance, or the fundamental responsibilities of a certain work, is one of the job outcomes. Citizenship performance is the term used to describe the extra actions taken by workers that actively support and enhance the effectiveness of the organization, beyond the needs of their primary tasks (e.g., assisting coworkers; Hunt, 1996; Organ, 1988). The term "counterproductive performance" describes voluntary actions that are detrimental to the organization's success (e.g., theft; Bennett & Robinson, 2000). Thus, a person's educational level is determined by the degrees or other academic credentials they have earned over time. Being successful in the competitive business environment rely on the level of employee job outcomes, relatively as well as educational level in the organization. The satisfaction or dissatisfaction of the workers affects the job outcomes in organizations. Few studies and scholars have considered differences in majors and education levels towards job outcomes. This studies tends to examine the relationship between educational level and job outcomes by examining major variables.

Purpose of the Study

The objective of this research is to examine the relationship between educational level and job outcomes. This study will be significant to body of knowledge, organizations, researchers and academia's as it will offer a framework for understanding the full concept and the importance of education level on job outcomes. Meanwhile useful conclusion and recommendation was made to encourage employees to further their education or obtain a degree, also employer to encourage and support their employee to grow their education level in order to perform their task efficiently, apply scientific method in their daily operations and initiate innovation means in their workplace. While discussing the theoretical reasons for the

relationships between education level and job outcomes with existing literature review and empirical studies.

Literature review

Although education level is an incessant variable, it is regularly measured unconditionally in research studies. There are educated employees and non-educated employees in every organization, employees who hold least bachelor's degrees because these degrees are necessary for entry into many higher-paying occupations (Howard, 1986; Trusty & Niles, 2004). Perhaps, it is difficult to equate graduates to those who are not because they do not have similar access to, or similar rates of participation in, each other's labour markets. Studies carried out have justified the link between job outcomes, unemployment, education and other factors (Baa-Boateng, 2015; Gaspar, 2009; Oreopoulos, von Wachter, & Heisz, 2012). Ironically being successful in the competitive markets depends on the level of education of the workers in the organizations and the innovativeness and creativity they bring to carry out their tasks, thus the level of education of the workers affects the job outcomes and performance of the organization. Employees with higher educational backgrounds not only contribute positively, are more creative and innovative, experience less stress from trial and error, and are more likely to stick with the company, but they also work more efficiently and do better work. Human capital theory, which provides a framework for research work application, serves as the foundation for this study.

Human Capital Theory

Human capital theory advocates that the capabilities and knowledge acquired by individuals are likely to be rewarded with higher earnings in the labor market (Becker, 1964). Education and work experience are the two forms of human capital individuals are most likely to acquire during their careers (Myers, Griffeth, Daugherty, & Lusch, 2004; Singer & Bruhns, 1991; Strober, 1990). It should be distinguished, though, that in numerous cases educational level and amount of work experience are likely to be positively correlated. Those who spend more years in school and have advance qualification with sophisticated technology will accumulate more work experience, whereas those who enter the labor market early typically accumulate less formal education. There has been swelling research evidence demonstrating the career benefits of human capital investments. For illustration, in one of the initial studies of the effect of education on salary, Mincer (1974) found that an additional year of schooling yielded a net increase of 11.5% in annual earnings. A meta-analysis conducted by Quinones, Ford, and Teachout (1995) showed that work experience was positively related to job performance. Further, the positive effects of human capital investments (e.g., in schooling) in early career on subsequent earnings are large (Sweetland, 1996). Therefore, human capital theory is particularly useful for explanation of income dispersion across social and occupational groups, for recognizing the rate of return on educational expenditures, and for explaining national differences in economic growth (Becker, 1964; Denison, 1962; Sweetland, 1996). Preceding research proposes that human capital can affect earning latent

in two ways. First, human capital is a short-hand signal to organizations of individuals' capacities and amassed knowledge and, therefore, grants individuals with more human capital greater access to higher paying professional jobs (Sicherman & Galor, 1990; Strober, 1990). Second, human capital is often a short-hand signal to organizations about personal attributes frequently desired by organizations, such as diligence and self-motivation (Ceci, 1991; Swenson-Lepper, 2005). Organizations are often keen to pay higher wages to individuals possessing these attributes, too.

According to this theory, the importance that an individual attach to having and acquiring higher educational level, connote high pay at workplace and more chance of earning more in organizations with better performance rate whilst adding creativity and innovation to their task since they have the technical skills and human conceptualization.

Concept of Education level

Education level defines the performance rate between those that don't have it in most scenario. The academic credentials obtain by individuals is an enhancer and a continuous variable, it is commonly measured categorically in research studies over the years and necessary for entry into several higher-paying occupations.

Ability and Knowledge

Ability has commonly been discoursed in terms of an individual's power, strength, or capacity to perform a task (Hunter, 1986; Ree, Earles, & Teachout, 1994). Over-all mental ability has been the focus on based on education level, and the results suggest that individuals with higher levels of education have both greater fluid and crystallized intelligence (Ceci, 1991; Neisser et al., 1996). In the same manner, fluid intelligence refers to the capacity of working memory, abstract reasoning, attention, and processing complex information, whereas crystallized intelligence refers to general knowledge, extent of vocabulary, and verbal comprehension related to vocational and a-vocational topics and areas. Fluid intelligence inclines to decay more rapidly as individuals age (Kanfer & Ackerman, 2004). However, intelligence and education level are positively and significantly correlated base on the discretion. Individuals who have great fluid intelligence are more likely to get into job on time, whereas those with less fluid intelligence are more likely to be weeded out along the way (Kaufman, 1990; Trusty & Niles, 2004). At the same time, education inspires the development of employees' minds and promotes the growth of crystallized intelligence at workplace.

Knowledge

Knowledge typically refers to the understanding of information related to job duties (McCloy, Campbell, & Cudeck, 1994). Scholars usually distinguish between two forms of knowledge, namely, declarative and procedural knowledge (Campbell, 1990). Declarative knowledge refers to expertise concerning facts, rules, and principles, whereas procedural knowledge refers to the application of declarative knowledge in practice (Ree, Earles, & Teachout, 1994). Education also encourages fundamental task performance by providing individuals with more declarative and procedural knowledge with which they can complete their tasks

successfully. For example, more education in Engineering helps students acquire the expertise needed to become NSE and advance in the engineering profession. The fundamental premise is that like students, by equipping students with better declarative and procedural knowledge, schools help students develop deeper competence in their chosen vocations and help them move up organizational and occupational career ladders more quickly. Furthermore, Hunter (1986) advocates that cognitive ability facilitates the learning of job-relevant knowledge and thereby indirectly promotes stronger job outcomes as well.

Work Values

Values are intrinsic, durable viewpoints on what is fundamentally right or wrong (Judge & Bretz, 1992; Ravlin & Meglino, 1987; 1989). Tertiary institution, infrequently is the focus of education only on enhancing cognitive ability and job knowledge. Instead, through classroom instruction and extracurricular activities, students are trained to follow rules, respect, be discipline and maintain tradition, maintain high moral standards, and exercise mature judgment after graduation (Bear, Manning, & Izard, 2003; Ford, Olmi, Edwards, & Tingstorm, 2001; Rest, 1986; Swenson-Lepper, 2005). Furthermore, education also promotes self-confidence, self-motivation, carefulness, and the desire and ability to set personal goals for the future (Di Vesta & Thompson, 1970; Howard, 1986; UNDP, 1995). Thus, another reason why education is likely to increase individuals' earning potential is that it imparts work values frequently necessary for job success. Although ability and knowledge are likely to contribute most directly to core task performance, work values such as responsibility, concern for others, social relationships, and honesty are likely to promote stronger job outcome and performance.

Importance of Education

Because technology including artificial intelligence, data management, ubiquitous technologies, robots, cloud computing, and sustainable technologies enables, supports, and directs digital transformation and education, they differ from traditional education. In a 2018 research, PricewaterhouseCoopers (PwC) emphasized the need for more training in digital skills, STEM sectors (Science, Technology, Engineering, and Mathematics), and soft talents that are difficult for machines to replicate, such creativity and adaptability. Adopting a broad definition of education in higher education institutions as the alignment of their services and curricula to prepare the future workforce of industry with technologies to address important challenges like student experience, the skills gap, data management, innovations in teaching and learning, metrics, open science, research, and cyber-security. Education depends on digital tactics, security, and proper infrastructure. The organized enablers of digital transformation in Education into six categories:

- Technological enablers,
- Organizational enablers,
- Digital competency teaching,
- Soft skills learner,
- Hard skills learner, and
- Pedagogies.

The use of learning analytics in education is essential for predicting employees' future performance and sustaining their ongoing improvement at workplace. A concept created to increase the flexibility of the several agents in the educational system, including pedagogical techniques and the technology that supports learning, is called "Integrating Industry Educational Components." The integration entails the use of connection and storage infrastructure, institutional policies, organizational procedures, and practices to support innovation and the training of teachers in digital competencies (doing and being), so they can teach students who are digital natives. These programs and initiatives should be in line with what educational institutions need and want to do in order to respond to the social circumstances of the day, taking into account the forces behind the technology megatrends that inspire creative solutions.

Components of Education

- Gives employee skills for processing the information: The significance of developing the ability to process the enormous amount of information that has been made available, regardless of its type or volume. Following this, it is imperative that the staff members acquire a variety of skills, including problem-solving and critical and creative thinking abilities, in order to assimilate the information and apply it to their daily lives. Everyone is aware that the past two decades have seen a tremendous expansion in information, and that trend is only accelerating as more people utilize the Internet.
- Imbibing value: learning about values without actually practicing them is useless. Consider Progress and Perfection, two of the most crucial values. Only by experiencing them can they be learned effectively. You can learn about progress and perfection, or at least become aware of them, through the sources described above. It can be put into reality in the context of daily living in the employee's life during work process.
- Creation of appropriate learning working environment: Only when a learning environment is developed in which the students may acquire the necessary life skills and live the noble ideals even while learning can the two aforementioned components be taken care of. Take the concepts of advancement and perfection. More marks are related in the student's life with progress, and the top rank is associated with perfection. The former is measured in life by accumulating more and more things, such as wealth and prosperity, and by achieving more success in one's work and status, whereas the latter is measured by reaching the pinnacle of one's career and prestige.

Concept of Job outcomes

Hence, education facilitates performance in most jobs (Hunter, 1986; Kuncel et al., 2004), its effects are likely to be more noticeable in the case of managers. For example, it is particularly crucial for managers to be persistent in their efforts and to seek out more responsibility (Rose, 2005). For example, Managerial jobs differ from other employees' jobs in that they are usually less structured and more ambiguous in nature (Staw & Barsade, 1993). In these feeble situations, managers' abilities, knowledge, and work values become even stronger

determinants of job performance (Pavett & Lau, 1983). Superior cognitive ability may be especially imperative on abstract managerial tasks like developing market strategy, whereas greater emotional intelligence may be especially important in managerial tasks like leading change. Although counterproductive behavior, by definition, hurts organizational effectiveness, its effects are far more widespread when initiated by individuals.

Educational level effects on Job outcomes

A person's educational background is strongly associated with positive career and employment outcomes, including salary level, number of promotions, developmental opportunities, and job mobility, according to the literature on labor economics and organizational science (Cappelli, 2000; Howard 1986; Lazear; Ng, Eby, Sorensen & Feldman 2005). Because of this, most businesses utilize education as a yardstick or indicator of a worker's productivity or skill level (Benson, Finegold, & Mohrman 2004), and they frequently use it as a requirement when making hiring decisions. As a result, there hasn't been much direct investigation into the topic over the past few decades.

Education improves work results, according to earlier studies in the field. Lack of training might result in frustration and a lack of job satisfaction, whereas the supply of learning, training, and development will encourage a growth in professionalism and greater exploitation of management approaches (Wright and Davis, 2003). As they advance in their careers, people with solid training will be able to add pillars to their expertise since they are aware of the breadth and depth of their employment (Priti, 1999). As a result, previous research has shown that motivated employees perform their jobs more effectively. Higher employee morale and higher levels of education have an impact on employees' productivity. Similar to this, Bluedorn (1982) emphasized the impact of demographic factors on job expectations and environmental opportunities, which in turn affect turnover and job satisfaction, such as educational attainment, race, age, and compensation.

Methodology

This study is initiated on qualitative review, based on previous research work. From existing literature review, several related components to the study were explained in order to achieve the purpose of the study. Component such ability, knowledge and work value were examined in the contexts. Other variables were explained with secondary data obtained from journals and the internet. Few limitation were observed with network challenges and numerous information from non-state author or recognized source. Meanwhile, suggestions were also made to the existing body of work related to education level and job outcomes.

Discussion

Some studies have denote that, to meritoriously contain hiring costs, managers regularly use job applicants' educational level as a screening criterion (Kroch & Sjoblom, 1994; Maglen, 1990). At the collective level, the results of this study suggest that using education level as a screening expedient has quite robust rationality. In numerous scenario, the higher recruitment exercise and wage costs that characteristically accompany hiring highly educated employees are defensible. However, hiring highly educated employees necessitates

managers to attend to general management issues more judiciously as well. e.g, hiring educated employees does not essentially result to better performance in training programs, as the outcomes from the literature review connote, education level slightly can change at workplace. Employees with higher education may be more confident about their skills and therefore take their task less seriously, or employees with less education may be more inspired to take advantage of this opportunity.

Conclusion

Education in all ramification promotes self-confidence, self-motivation, carefulness, and the desire and ability to set personal goals for the future (Di Vesta & Thompson, 1970; Howard, 1986; UNDP, 1995). This study recommend that using education level as a screening device has quite robust validity, henceforth to effectively contain hiring costs, managers frequently use job applicants' educational level as a screening criterion (Kroch & Sjoblom, 1994; Maglen, 1990). Though recruitment costs and wage costs that typically accompany hiring highly educated workers are justifiable because of the creativity and innovation they bring to perform their tasks, thus hiring educated workers does necessarily lead to better performance in training programs, advance technological usage, initiative as suggested, education level is largely related to job outcomes. Workers with more education may be more confident about their skills and therefore comes out with better job outcomes, while workers with less education perform below expectation.

Recommendation

According to Myers et al, (2004) they postulated that education and work experience are the two forms of human capital that individuals are most likely to acquire during their careers, perhaps education depends on digital tactics, security, and proper infrastructure. The following recommendations are made;

- Organization should build a culture of learning and development to enable their employees build and develop themselves while acquiring degree or higher degree to contribute positively at workplace. As Atiq (2013) opined that organizations are focusing more on learning within organization to enable them ensure their long term success and survival.
- Organization should invest in financial literacy to enhance job outcomes and improve organizational performance, as ability and knowledge gives employee the capacity to carry out their task efficiently and since the prominence of education level is to prepare individuals for life through developmental skills.
- Organizations should encourage and build a system of regular training and development to often update their employee with the latest technology and happenings in business environment since competition is high, hence education stimulates the development of employees' minds and indorses the growth of fluid and crystallized intelligence at workplace.

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