

## Accounting Skills and Employability of Nigerian Youths; a Prelude for Sustainable Development

Enyinna Chidi Emmanuel<sup>1</sup> and Imoh Benson Chigbo<sup>2</sup>

<sup>1&2</sup>Lecturer Department of Accountancy, Abia State Polytechnic, Aba

**Abstract:** Youth unemployment has defied various efforts made by successive Nigerian governments since independence. Studies have shown that the rate is rather increasing than decreasing and the nature of Nigerian youth unemployment is structural. The major objective of this study therefore, is to find out how possession of necessary Accounting skills can reduce youth unemployment, especially among accounting graduates. A sample of 80 graduating students of Abia state polytechnic Aba was selected for study using purposive sampling technique. Data was collected using structured questionnaire. Analysis of data was done using simple percentage and bar chart. The findings revealed that the major causes of unemployment among accounting graduates lies on the paucity of necessary accounting skills among the graduating students and lack of appropriate career objective. The study recommends the employment of career counselors in all departments of universities and polytechnics among others.

**Keywords:** Accounting skills, Employability, Youth employment, sustainable development

© 2019. Enyinna Chidi Emmanuel and Imoh Benson Chigbo. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 4.0 Unported License <http://creativecommons.org/licenses/by-nc/4.0>, permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

A SPECIAL ISSUE CONFERENCE PROCEEDING PAPER

---

### Introduction

Unemployment is a major challenge facing most world economies, this is more pronounced in developing countries where unemployment and or under employment is the major cause of widespread poverty. Governments in developing nations have made reduction of unemployment a major macroeconomic goal but in spite of this, the rate of unemployment or underemployment has continued to soar high. Successive governments in Nigeria have implemented various policies on employment generation but this has not yielded much impact as the gap between employment seekers and available work has continued to widen. According to Kareem, R.O (2015) "It is not easy to measure the rate of unemployment because of the conceptual problems of defining who is employed, unemployed or underemployed" Employment refers to the number of people who either work for pay in cash or kind, work on their own account or are unpaid family workers (NBS, 2012).

Employability and employment do not have the same meaning and need to be distinguished. According to Weli-gamage (2009) and Oliver (2015), to be employed means

having a job, while employability means the possession of necessary qualities to get employment, maintain it and progress in it. Thus, employability means more than just getting a job. Sustainable development is a very topical issue among academicians, businessmen, governments, NGOs; it is the goal of every organization or entity to achieve sustainable development. Sustainable development can be defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987). This kind of development cannot be achieved in the state of rising youth unemployment since the youths are the future of every nation.

Youth unemployment is rather a more critical problem than general unemployment because it is assumed to be the cause of most social unrest in developing nations; in Nigeria for instance, there are a number of warring and militant groups such as Boko Haram fighters, Niger delta militants, odua peoples congress (OPC), Biafran agitators, etc. and this is attributable to youth unemployment which is estimated to be between 38-36% in 2018-2019 respectively (NBS, 2019).

The problem of youth unemployment in Nigeria is structural unemployment which refers to un-employability of the youths. In this paper we want to analytically address this problem from the accounting perspective.

### **Statement of problem**

Youth unemployment has remained a major challenge facing governments at all levels in Nigeria. Most socio-political problems of the country have been attributed to it. The spate of kidnapping in the North West and North Central, Boko Haram insurgency in the North East, Biafra agitation in the South East and Niger delta Militancy in the South South, all these are attributed to youth unemployment. In Nigeria, the rate of youth unemployment is very high. According to National Bureau of Statistics (NBS, 2019), it is currently estimated to be 36.5% percent of the youth population. Youth unemployment in Nigeria can be said to be structural unemployment, a situation that arises when there is a mismatch between the skill and characteristics of those looking for work and those desired by potential employers.

Adopting a sectorial approach i.e. using accounting graduates as our universe of study, the focus of the study is to determine how to reduce the problem of un-employability among accounting graduates. Similar approach can be adopted in other sectors or/and disciplines in the economy

### **Objectives of study**

The major objective of this paper is to propose a model of graduate employability enhancement for accounting graduates in Nigeria. In achieving this objective, the following specific objectives will be addressed;

- i. To highlight the major causes of graduate un-employability in Nigeria.
- ii. Proffer solution to the problem of graduate un-employability using accounting graduates as a case study.
- iii. Propose a model of graduate's employability.

## **Research Questions**

- i. What are the causes of graduate un-employability in Nigeria?
- ii. In what ways can accounting graduates' employability be enhanced?
- iii. What are the employment opportunities for accounting professionals?
- iv. How can accounting profession help in reducing unemployment among its graduates?

## **Literature Review**

According to international labor organization ILO "Employment refers to the number of people who either work for pay in cash or kind, work on their own account or are unpaid family workers".

It is often measured as a percentage of the workforce. So all the people doing any manner of work in the economy are regarded as employed, According to Lipsey R, Crystal A, (2011) there are three main types of unemployment

- Cyclical or demand deficient unemployment which occurs when aggregate spending in the economy is insufficient to purchase the output that would be supplied when the economy is at potential GDP.
- Frictional unemployment which is unemployment that arises as part of the normal turnover of labour
- Structural unemployment which occurs when there is a mismatch between the characteristics and skill of the people looking for work and those desired by potential employers. For instance; there may be plenty of opportunities for computer programmers while many construction workers are looking for job.

This is mainly the Nigerian problem. Indications have shown that majority of the youth population are interested in white collar jobs, when there are plenty of entrepreneurial opportunities that can be exploited for personal good.

Youth unemployment is always an important economic factor because of its socio-political effect. It is a measure of the population between 16-45 who have no job or are looking for job.

Most social unrest and other vices have been attributed to it. In Nigeria the rate of youth unemployment is very high. According to (NBS, 2019) it is estimated to be at 36.5 percent of the youth population.

U.K economists Richard Layard, Stephen Nickell, and Richard Jackman summarized the dangers of unemployment in these words "unemployment matters, it generally reduces output and aggregate income, it increases inequality since the unemployed lose more than the employed. It erodes human capital and finally it involves psychic costs. People need to be needed. Though unemployment increases leisure, the value of this is largely offset by the pain of rejection".

Because of these dangers of unemployment, most governments in the world have made its reduction a major macroeconomic goal; but In spite of the importance of employment, the implementation of policies on employment creation in many developing nations has not yielded

much impact as there is a wide gap between the jobs available and the number of job seekers actively seeking work in most poor nations (Kareem, R.O, 2015). The problem of unemployment in Nigeria was aggravated by two factors:

- Structurally, the country shifted from the agricultural sector to the petroleum industry following the oil boom in 1973. This resulted in unemployment, as persons moved from the agricultural sector in search of opportunities that were none existent in the official sector, thereby increasing the number of shadow economic activities.
- The educational system introduced by the colonial masters was aimed at providing clerical workers for the economy. Up till now the structure of our educational system is focused on white collar jobs neglecting more germane needs of the economy leading to structural unemployment.
- Most Nigerian youths pursue educational training without a clear vision of their career objective, which eventually leads to un-employability.

There are indications that unemployment being experienced in Nigeria is structural in nature, that is, many graduates are unemployed for lack of skills necessary to fill the existing vacant positions and they are, therefore, unemployable. This situation is a big challenge for the relevance of university education, and thus, needs immediate attention.

The extent to which university education is capable of producing potential employable graduates in the competitive 21st century world, is attracting the attention scholars and policymakers globally. This interest stems from two major concerns. First, there are signs that patterns of work are rapidly changing with new sectors emerging, and with technology, globalization and demographic changes significantly reforming the workforce (Oliver 2015; Pitan 2015).

The second concern is that the existing university curriculum is not producing graduates with the kind of professional and lifelong learning skills that they need in order to be successful in the competitive and congested changing world of work (Lees 2002). Higher education institutions have been criticized for the fact that their mode of training has little or no relevance to the social and economic needs of their countries (Rufai et al. 2015), which consequently leads to the production of unemployable graduates.

In Nigeria, indications from past studies show that the high rate of unemployment experienced by university graduates is not only as a result of the unavailability of jobs, but also because of a dearth of candidates with employable skills that employers are looking for (Emeh et al. 2012; Pitan 2010, 2015). Evidence in support of this assertion shows that out of over 40 million unemployed youths in the country 23 million are unemployable possibly due to their lack of necessary skills for employment (Emeh et al.2012).

However, several other researchers (such as Hillage and Pollard 1998; Yorke and Knight 2006; Pool and Sewell 2007; Bridgstock 2009; Harvey2010; Cavanagh et al. 2015; Oliver 2015) have conceptualized employability from a holistic perspective, though in different contexts Yorke and Knight (2006: 3-5) see employability as “a set of achievements (skills, understandings and personal attributes) that make individuals more likely to gain employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and the economy”. Yorke and Knight proposed a framework for enhancing employability, which is popularly referred to as the USEM model.

The USEM model summarizes employability as four interrelated components, these being under-standing (of course of study and how organizations work), skillful practices

(academic, employment, and life generally), efficacy beliefs (the student's self-concept and self-belief), and meta-cognition (including self-awareness and a capacity to reflect on learning). However, the USEM model has been criticized on the basis that it is too academic in nature and that it fails to explain the exact meaning of employability to non-experts in the field, especially the students and their parents (Pool and Sewell 2007: 279).

Another definition, with an additional element, satisfaction, was offered by Pool and Sewell (2007: 280). They defined employability "as having a set of skills, knowledge, understanding and personal attributes that make a person more likely to choose, secure and retain occupations in which they can be satisfied and successful". Their argument is from the fact that an individual might be successful in his or her chosen profession without being satisfied. They also developed a model of employability known as CareerEdge. The CareerEdge model's components include career education, experience, degree subject knowledge, generic skills, emotional intelligence, reflection and evaluation, and self-efficacy/self-confidence/self-esteem. To Oliver (2015: 59), who refined Yorke and Knights's (2006) definition, "employability means that students and graduates can discern, acquire, adapt and continually enhance the skills, understandings and personal attributes that make them more likely to find and create meaningful paid and unpaid work that benefits themselves, the workforce, the community and the economy". The "continuous enhancement" in this definition stresses the fact that employability is not static but a continuous process. No wonder lifelong learning is one of the characteristics of employability.

The short-comings of the models above is that they are too academic and fails to see employability as the major driver of every training be it academic or vocational. Our model of employability however proposes that students and graduates must have a good knowledge of the employment opportunities available in their courses of study as they embark on them. Students and graduates must acquire skills and training that will enable them to fill the necessary employment gaps in the economy. That is, employability must be considered before embarking on any manner of training whether academic or vocational. Since employability is the very essence of university education.

It is evident from the foregoing that the concept of employability transcends just the possession of both academic and generic skills, it also connotes the utilization and development of such assets and is a lifelong process. For the purpose of this paper, employability can be defined as the ability of graduates to possess and exhibit the knowledge, skills, attributes and attitudes needed to attain and maintain jobs in which they can be successful and fulfilled. It could be deduced then that employability skills consist of knowledge, attributes and attitudes that will enable students to get and maintain jobs in which they can be fulfilled not only in their occupations but in life as well.

A number of efforts have been made by government to overcome the problem of un-employability among our youths which include:

- Restructuring of the academic curriculum
- Introduction of entrepreneurship studies in the academic programs of tertiary institutions
- Introduction of mandatory attachment program (MAP) for graduates.
- The N-Power program for the youths which is currently going on.

Government effort alone cannot solve the problem of un-employability among the Nigerian youths. It is, therefore, the responsibility of the university (in conjunction with an

institutionalized and a well functioning career management service) to expose the students to the components of employability right from their early stage in the university (Cole and Tibby 2013).

Accounting is a profession that is highly needed by every organization in the society be they government, private, business, non business etc. its graduates are therefore highly needed in the society, if they possess the necessary skills that are expected to be acquired upon graduation.

Accounting deals with recording, measurement and interpreting and reporting of the financial activities of a business to stakeholders. Accounting is of great importance to the development of small and medium scale enterprises.

Arguably, accounting is the core academic discipline that aids the entrepreneurial drive given the popular opinion that is the language of business (Nwaigburu K.O, Eneogwe, V.N, 2013).

The accounting profession has been described as the backbone of our societal life. This is because business organizations use accounting information for policy formulation, planning, controlling, performance appraisal and decision making. The Federal, State, Local Governments and other government agencies use accounting information for similar purposes. According to Adegite (2010) the accounting profession speaks the language of business as it records all transactions of organizations that have monetary implications.

Thus accounting is that discipline that involves the systematic gathering, classification recording, analysis, interpretation and transmission of information to assist users make economic decision.

The accounting profession according to Evbodaghe (2009) has been responsible for the spread of financial knowledge and for a commitment to help business and non- business organizations develop the capacity to succeed. Even at the global level, the international accountancy profession has helped several countries to build stronger and more stable economies.

Accounting skills are the totality of skills ranging from record keeping, attention directing, financial management and reporting skills that are expected to promote effective decision, performance evaluation and business reporting of any business enterprise, (Akande 2011). He further stated that attention directing skill enables the manager to make vital decision on production and pricing issues while reporting skill describes the method, and technique by which business information are reported to the stakeholders of the business.

Consequently, accounting profession produces graduates for the following reasons;

- Managing the financial assets of every organization be they government, business or non business organizations i.e. white collar
- Provide entrepreneurs with accounting and other skills for proper management of their business. In the words of Akande (2011)” for any small scale enterprise to be successful, owners of business must possess appropriate skills and abilities to run the business i.e. entrepreneurship
- Provides auditing and assurance services to businesses as required by law establishing such organizations i.e. professional service
- Provide technical and consultancy services in such areas as financial management, Asset management, Risk management, Taxation, Cost management and Financial reporting. i.e. consultancy service

- Teaching or lecturing accountancy in secondary schools and higher institutions i.e. academia.

**Methodology**

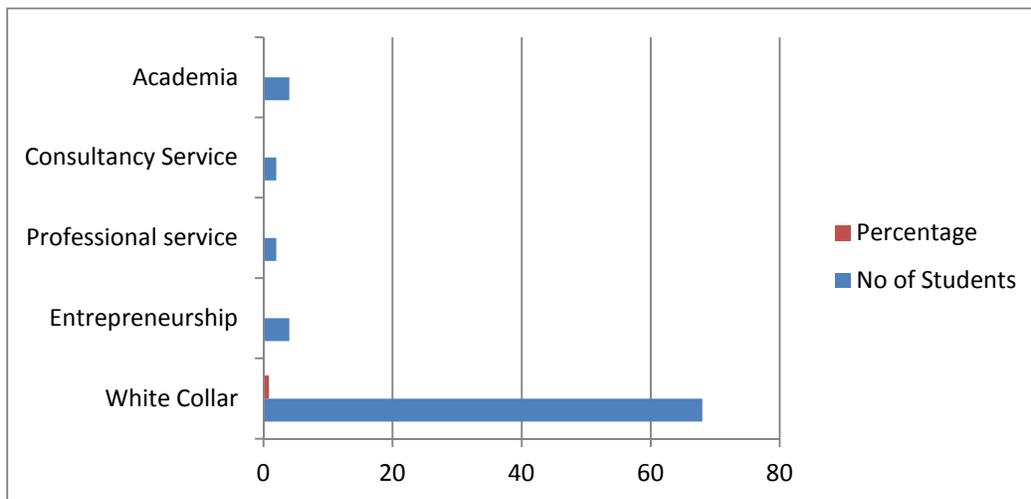
The methodology adopted in this paper is survey approach. A survey was conducted among eighty (80) graduating students in accountancy department of Abia state polytechnic, Aba on their career objectives after leaving school. The data generated for this study was analyzed with simple percentage method and Bar chart.

**Analysis and Result**

The questionnaire presented shows a five point career objectives for accountancy graduates-white collar, entrepreneurship, professional service, consultancy service and academia. The analysis of the result is shown below

Career Objective          No of students    Percentage

White collar	68	85%	
Entrepreneurship	4	5%	
Professional Service	2	2.5%	
Consultancy service	2	2.5%	
Academia	4	5%	
Total	80	100%	



Source: Researchers computation

The analysis of the survey report above shows that out of the sample of 80 students, 68 representing 85% of the respondents intends to go for white collar job after graduation; 4 representing 5% of the respondents intends to use the skill acquired for entrepreneurship; 2 representing 2.5% of the respondents intends to go for professional service; while 2 representing 2.5% of the respondents intends to go into consultancy ; finally 4 representing 5% of the respondents hopes to go into Academics.

### **Discussion of Result**

The result above taking from sample size, drawn from all the graduating students in accountancy department of Abia state polytechnic, Aba, shows that up to 85% of Nigerian graduates intend to go into the labour market in search of white collar jobs. This is absolutely not realistic and will certainly lead to unemployability as there are no available jobs to absorb this number of graduates. The purpose of the introduction of entrepreneurship studies in the university curriculum is to enable many students use the skill acquired after training from the universities to go into entrepreneurship. This has not basically been assimilated by the students themselves. The accounting, entrepreneurial and communication skills acquired from the universities is not solely aimed at sending them into the labour market to search for unavailable jobs, rather to enable them manage and pilot business enterprises which is the pivot of every strong economy. The spread of the choice of the career objectives chosen by the students under survey certainly shows a concentration on white collar jobs and a vague understanding among the students that there are other viable areas where their skill and professional training can be put into profitable use.

### **Conclusion and Recommendations**

Historically, unemployment is a very persistent cankerworm but not permanent. It can be eliminated if a proper model is adopted to tackle it. The problem of unemployment and unemployability in Nigeria is as a result of structural unemployment which arose because the youths lack understanding of how the economic system works. For employment to take place there must be a match or harmony between the skill and training of the employees and that required by the employers. The employees themselves must diversify in reaction to the diverse needs of the economy. The Nigerian problem is a mismatch, a situation where almost all the graduates go for white collar jobs thereby creating a vacuum in order areas where the services are needed.

This paper therefore recommends that given the five point areas (though not exhausted) where accounting graduates may gain employment that the youths, the career councilors and the universities themselves should educate prospective graduates from the inceptions of their programs on the various areas where their skill and professional training can be put into use.

That the students themselves should from the inception of their training decide on their career objectives with proper knowledge of availability of opportunities in the chosen areas.

The students based on their career choice should decide on the skills vocational and otherwise including attitudes to acquire and imbibe that will help them to be successful and satisfied in their chosen careers. The government on the other hand should try to create enabling environment that will bring foreign direct investment and support the growth of small and medium enterprises which is the main driver of most successful economies

### **References**

1. Adegite, E. O (2010), Accounting, accountability and national development, The Nigerian Accountant, Jan/ Mar, (43. 1)

2. Akande, O.O (2011) “Accounting skills as a performance actor For small business in Nigeria”, Journal of Emerging Trends in Economics and management studies (JETEMs0 2, (5) Oyo state.
3. Cole D, Tibby M 2013. Defining and Developing Your Approach to Employability: A Framework for Higher Education Institutions the Higher Education Academy From <https://www.heacademy.ac.uk/node/6797>. (Retrieved on 20 January 2015).
4. Hillage J, Pollard E 1998. Employability: Developing a Framework for Policy Analysis. London: DfEE. International Labour Organization (ILO) 2013. Enhancing Youth Employability: The Importance of Core Work Skills. Skills for Employment Policy Brief From <[http://www.ilo.org/skills/pubs/WCMS\\_234465/lang—en/index.htm](http://www.ilo.org/skills/pubs/WCMS_234465/lang—en/index.htm)> (Retrieved on 20 January 2015)
5. . International Labour Organization (ILO) (1999). Decent work and Protection for all in Africa Report of the Director General, 90th African Regional Meeting, December. ILO, Geneva.(ILO 1999. p.3.
6. Iyoha, M.A. (1978). “The Relation between Employment and Growth in Developing Countries: The Econometric Analysis” Social and Economic Studies, March
7. . Kareem, R.O. Employment Level and Economic Growth of Nigeria Journal of Sustainable Development Volume 8, 2015
8. Lipsey R. Crystal A. Economics 12<sup>th</sup> edition, Oxford University press U.K. Pp.579-582
9. Nwaigburu, K. O. Eneogwe, V.N. Impact of Accounting Skills On Entrepreneurship Education for Self-Reliance and Sustainable Development: A Study of Selected Small Scale Business in Owerri Municipal Imo State
10. Oliver B 2015. Redefining graduate employability and Work integrated learning: Proposals for effective higher education in disrupted economies. Journal of Teaching and Learning for Graduate Employability, 6(1): 56-65
11. Pool LD, Sewell P 2007. The key to employability: Developing a practical model of graduate employ-ability. Education and Training, 49(4): 277–289.DOI <http://dx.doi.org/10.1108/00400910710754435>
12. Weligamage SS 2009. Graduates’ employability skills: Evidence from literature review In: S Amunugama, KD Jayasuriya, NK Dangalle (Eds.): Enhancement of Graduate Employability. Sri Lanka: University of Kelaniya, pp. 115-125
13. Yorke M, Knight PT 2006. Embedding Employability into the Curriculum Learning and Employability Series One York: Higher Education Academy