



THE IMPACT OF STUDENTS' CONSULTING AND NEW VENTURE ON SELF EMPLOYABILITY STATUS AFTER GRADUATION: THE SUCCESS STORY OF ENTREPRENEURSHIP AND FINANCE DEPARTMENT OF KUMASI POLYTECHNIC IN GHANA

Eric Edwin Owusu*

Abstract: *Becoming self-employed is for many young people not as much a question of opportunity but a question of necessity. The Global Entrepreneurship Monitor (GEM) indicates that youth in low-income and developing countries tends to become engaged in business driven by necessities, such as lack of other employment opportunities and the need to contribute to the household income. Globally improving education along with technological opportunities such as ICT, governments around the world increasingly understand the potentials their youth offers for innovation and economic development. Starting your own business is a tremendous step and commitment. Helping young people to become entrepreneurs first of all means helping them to understand what they want to achieve in life. It is a worried nowadays in Ghana to both parents and the youth as students graduating from the tertiary institutions find it difficult to secure employment. Again it has been established that the graduates from the tertiary institutions are knowledgeable, but lack practical skills hence they become less useful to industry. In realizing this deficiency, many institutions have developed some models which are designed to expose and equip the students with practical and managerial skills to address the issue. The study therefore sought to investigate the effect the consulting and New Venture Creation models developed by the Institute of Entrepreneurship and Enterprise Development (IEED) of Kumasi Polytechnic in Ghana could have on students' self employability. Three groups of respondents were sampled namely; Employers, Graduates from the Entrepreneurship and Finance department of IEED and other graduates from other faculties/departments of Kumasi Polytechnic. In respect of these groups, 50 employers, 75 Graduates from the Entrepreneurship and Finance department of IEED and 75 other graduates from other faculties/departments of Kumasi Polytechnic were sampled for the research.*

Keywords: *Consulting, New Venture, self employability, graduation, Kumasi Polytechnic, Entrepreneurship and Finance*

*Lecturer and Co-ordinator of Consultancy and Business Incubation Centre (CBIC), Kumasi Polytechnic, Ghana



1.0 INTRODUCTION

Unemployment in Ghana today is like a virus that seeps through healthy bodies and then ravaging them beyond repairs. Its effect is enormous - physical, emotional, psychological, and mental and the likes. If one is out of work you can expect the aforementioned behaviours. For instance an unemployed can take to anti-social activities. Youth unemployment phenomenon is not peculiar to Ghana only, rather, for several decades; it has been a global challenge bedeviling several nations of the world, being developed or developing. Since 2007, this global phenomenon has become more pertinent as youth unemployment has increased by over 4 million totaling about 75 million and putting the current global rate at 12.6% (ILO, 2012). Overall, 40% of the global jobless people are youth. However, out of the whole, a distinction is usually made between the educated and the uneducated youth in the unemployment nexus and it is within this broader perspective that graduate unemployment should be understood. According to the United Nations Economic Commission for Africa (UNECA, 2010), unemployment is highest among the educated youth as against the uneducated. For instance, in 2003, the unemployment rate was 8.5% for the former and 6% for the latter group in Ghana. This “educated joblessness” is what has now become known as graduate unemployment where people with university and other tertiary degrees cannot find decent work. It is on record that far back in the 1980s when economic development is said to have been positive, graduate unemployment was high. The question that naturally arises from this fact is why has the country not been able to resolve this issue? Or why has this situation been so persistent? Many interesting views have been shared in answering the above question. One group of thought thinks that, successive governments have not done enough whilst another blame the universities for irrelevant curriculum. Yet the third group of thought has blamed the graduates for not basking themselves well before graduating. It seems therefore that the debate has largely been a blame game. Boateng and Ofori (2002) have however found that the perception of quality of graduate output varies between policy makers and employers; whilst the former perceive poor or falling output, the latter believe that recent graduates have been satisfactory on the job. The issue of quality borders on the possession of some specific skills considered relevant to job performance. Research has clearly shown that employers do not necessarily require certificates but the ability to perform and this has led to increasing



demands for these qualities namely computer, analytical, managerial and technical skills to name a few. For example, according to Boateng and Ofori (2002), in 1995 only 13.4% of jobs requiring university education also demanded computer skills; 0.4% also demanded communication skills; 1.5% also demanded personal attributes. The demand increased in 2000 to 45.7% for computer skills; 38.6% and 41.8% for communication skills and personal attributes respectively.

A survey by the Ministry of Education in 1996 intended to examine the labour market experience of graduates found that 71% of graduates sampled found jobs within five months of completing national service with about 61% employed in the formal services and 3% in big companies. Comparing the above to current statistics, it becomes alarming. Only recently, the Institute of Statistical, Social and Economic Research (ISSER) has indicated that about 50% of graduates from the 2011 graduating year may wait up to 2014 without finding jobs. Moreover, a careful juxtaposition of enrolment and graduation figures with current job availability does not present a lively picture. The universities and the other tertiary institutions are reported to churn out about 68,000 graduates yearly without corresponding high number of jobs being created to absorb them. The formal sector is said to be the preferred job destination of graduates, but it employs less than 40% of all graduates.

So what could the solution be? Despite the above statistics, all is not necessarily doom and gloom. Indeed, the Institute of Entrepreneurship and Enterprise Development (IEED) at Kumasi Polytechnic in Ghana has set the pace for others to follow in Ghana. The main objective of the Institute is to raise graduate entrepreneurs and intrapreneurs capable of meeting the challenges of present times and to spearhead socio-economic development through the application of entrepreneurial skills. As a result, IEED developed two models in 2006 to first encourage students to set up businesses (New Venture Creation) to expose them real life business environment.. The second model, the Consulting is designed to equip students with the necessary skills, teaching of Consultancy Theory as a subject, as well as the planning, execution and monitoring of the Consulting for Small and Medium Enterprises (SMEs) to the real life situation in business environment. The Unit also serves as an advisory Centre to businesses in the metropolis and organizes seminars and workshops for the Institute and members of the Polytechnic community. The purpose of the paper is to assess whether the Consulting and New Venture Creation models have some effects on



students self employability status after graduation. It is also aimed at highlighting the activities of IEED of Kumasi Polytechnic, its impacts on the students in particular and the youth in general.

2.0 REVIEW OF LITERATURE

Adequate and reliable unemployment figures for African countries are not available. However, figures show that Africa, compared to other regions of the world, has the largest segment of young people in its population, 36.7 percent in 2000, compared to 27.3 percent for the world (Curtain, 2000). In Africa, it is estimated that young people make up more than 50 percent of the population of most countries. In absolute terms, it is estimated that there are presently about 122 million youth on the African continent (Chigunta, 2002). Majority of African youth aged 15- 24 are literate, although female youth are less educated than their male counterparts. However, although they are better educated, they possess few employable skills. Projections of population growth into the 21st century indicate that the proportion of young persons aged 15-24 years, in relation to the overall population, will continue to grow over the next twenty years (Chigunta, 2002). Their large numbers and their higher education levels make it necessary to ensure that youth employment policies are put in place, and that they also target young women. Cooper (1981) proposed that three factors influence entrepreneurship. These are antecedent influences (i.e., background factors such as family influences and genetic factors that affect motivation, skills and knowledge), the second factor is "incubator organization" (i.e., the nature of the organization that the entrepreneur was employed in just prior to starting a business, the skills learned there), and finally, the environmental factors (e.g., economic conditions, access to venture capital and support services; role models).

In the last two or more decades, Africa has been confronted with a multidimensional crisis with several symptoms including drought and famine, floods, wars, HIV/AIDS and various endemic diseases, and widespread poverty. Underlying all these is the phenomenon of unemployment which to some observers, is at the core of the problems of the African sub-region (Sarr, 2000). The African Common Position on Human and Social Development in Africa, a document prepared for the Copenhagen World Summit for Social Development, highlighted some of the human and social issues of concern for the African region. One of the core issues addressed by the Summit and which was emphasized in the African



Common Position was the promotion of productive employment and the reduction of unemployment. A necessary condition for enhancing employment creation is to achieve a high rate of employment-intensive economic growth. That is, an employment-led growth strategy is required to address the problems of widespread poverty and unemployment in Africa. This required that there should be a link between employment policies, development needs, education and human development. It was recognized that special activities are needed for the employment of women, and that youth employment should also be integrated into comprehensive national development programmes (ECA 1999). With the rapid population growth in Africa and its implication for the age pyramid, youth unemployment has become a major issue of concern to African governments. At the global level, with an estimated 70 million youth around the world unemployed and many more underemployed, the need for employment creation for youth cannot be denied. Youth unemployment rates are at least double that of adults. The situation is very critical for young women who suffer higher unemployment rates than young men in majority of economies (UN 2002). Talking about job markets, it is always the direct focus of future leaders (youth). In this regard, future leaders are expected to embrace all facets of skills acquisition. According to Liyanage and Poon (2003), education needs overhauling not only in content and delivery modes but also in a way it is used to promote the knowledge management process in organizations. It has been reiterated that a deficit in graduate skills emanating from mismatch between the skills a graduate acquires and the expectations of employers; less recognition for academic competence would hardly guarantee a job placement (Morgan and Turner, 2000; Fallows and Stevens, 2000). Since employers have varying values for different skills, Cox and King (2006) are of the view that graduates must acquire all the requisite skills so that they could meet the expectations of many employers.

3.0 METHODOLOGY OF THE RESEARCH

The study sought to assess whether the Consulting and New Venture Creation models have some effects on the students employability status after graduation. The estimated population for this study was two hundred (200) respondents drawn from three different groups. The first was a group of past students of the Department of Entrepreneurship and Finance; the second was a group of students graduated from the other Departments/Faculties of Kumasi Polytechnic and the third was a group of employers within



Kumasi Metropolis in Ghana. The research considered those graduates who had completed their courses for the past three years. The choice of these categories of students was based on the objective of the researcher ensuring that both practical and professional skills were included in the study. Employers were made to respond to questions bordering on graduates suitability for vacancies they had and the reasons that informed their recommendation for selecting graduates they currently work with. Graduates were also made to address issues on the difficulty they encountered during their search for jobs. Both primary and secondary sources of data were used for the study whilst the main data collection instruments were interviews and questionnaires distributed to both employers and graduates of Kumasi Polytechnic.

Multiple sampling methods were adopted for the research. The numerous graduates and employers were grouped using stratified sampling procedure. Three different strata were formed representing graduates from Entrepreneurship and Finance department; graduates from other departments/faculties of Kumasi Polytechnic; and employers who were seeking the services of graduates. From each Stratum, respondents were selected using simple random sampling technique. The sample size used for the research was carefully chosen to produce greatest diversity of the variables used (De Vaus, 1991). In line with this, a sample size of 75 was picked for graduates from Entrepreneurship and Finance Department; 75 for graduates from other Departments/Faculties and 50 for employers.

4.0 DISCUSSION OF RESULTS

This study investigates the impact of Consulting and New Venture Creation models developed by the Institute of Entrepreneurship and Enterprise Development (IEED) of Kumasi Polytechnic in Ghana on students' employability status after graduation. The research revealed that through Consulting and New Venture models, the graduates from IEED are not only able to secure employment earlier than their colleagues from the other departments/faculties of Kumasi Polytechnic but they are able to set up their own businesses to generate income for themselves and even employ their colleagues graduates. From the research instruments used, a total of two hundred questionnaires were distributed. Majority of the graduate respondents (Table 1) were between ages of twenty (20) and twenty-nine (29) whilst that of the employers were between ages of forty (40) and forty-nine (49). This implies that the respondents are in their prime age as such having



energy and strength to learning and put their knowledge into practice. The study reveals that majority of employers prefer employing people with practical skills and competency. Again, it was found out that acquisition of varying skills increases their likelihood of securing employment. This finding supports the assertion of Cox and King (2006) who are of the view that graduates must acquire all the requisite skills so that they could meet the expectations of many employers.

Thirdly, the result shows that the level of competency acquired through training can enhance employability. This finding confirmed the views of (Teoh, 2006; and Teichler, 1998) which state that students are re-shaped perceptually and psychologically to be on top of any practical encounter. This psychological disposition serves as a bridge between the world of theoretical learning and practical exposure.

Lastly, the result shows that exposing students to requisite approaches of acquiring training increases the likelihood of getting employed after school. This study corroborates the finding of Stuliff (2000). He found out that practical/industrial exposure gives the students a chance to seek inputs and feedback from practicing professionals who can provide valuable insight into the skills and abilities students would need in their career.

CONCLUSIONS

It is clear that the graduate unemployment conundrum presents a critical situation and that it can be better understood if situated within the context of overall youth unemployment. It is hereby concluded that, students need the practical skills to secure jobs, and since competency can be acquired on the job, new venture and consulting models should be intensified to enable students and for the matter the youth to acquire variety of skills that are most relevant per employers' expectations.

RECOMMENDATION

Based on the research, it is recommended that:

- Students must endeavour to acquire skills which will be beneficial to them and their employers before they graduate from the tertiary institutions in order to enhance their employability.
- Authorities in the tertiary institutions should provide coherent start-up support packages to young people with much more guidance and mentoring to prepare a coherent business development services. This can be achieved by connecting



competitive elements such as business plan competitions with capacity building in for example finance or marketing, and on top of that mentoring and coaching as well as loans and incubation space.

- Tertiary institutions should ensure that relevant industrial training is incorporated into the curricula of all departments.
- Universities and Polytechnics and vocational schools collaborate to integrate entrepreneurship education into the education systems;

REFERENCES

1. Boateng, K. & Ofori-Sarpong, E. (2002). An Analytical Study of the Labour Market for Tertiary Graduates in Ghana. Accra. Retrieved from <http://ddpext.worldbank.org/EdStats/GHAWp02a.pdf> on 23/05/2012
2. Chigunta, F, (2002) "The Socio-Economic Situation of Youth In Africa: Problems, Prospects and Options", Paper presented at the Youth Employment Summit, Alexandria, Egypt, September.
3. Cox, S. and King, D. (2006). Skill sets: an approach to embed employability in course design. *Education + Training, vol.48 (4), 262-274.*
4. De Vaus, D.A.(1991).Surveys in social research(3rd edn). UCL Press and Allen& Unwin.
5. Economic Commission for Africa, (2002), "Youth and Employment in the ECA Region". Paper prepared for the Youth Employment Summit, Alexandria, Egypt, September, 2002.
6. Fallows, S. and Steven, C. (2000). Building employability skills into the higher education curriculum: a university-wide initiative. *Education + Training, vo.42(2), pp.75-83.*
7. International Labour Organization (2012). Global Employment Trends for Youth 2012. Retrieved from http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_180976.pdf on 23/05/2012
8. Liyanage, S. and Poon, P.S. (2003). Technology and innovation management learning in the knowledge economy: A techno-managerial approach. *Journal of Management Development, vol.22(7), pp.579-602.*



9. Morgan, A and Turner, D (2000). Adding value to the work placement: working towards a professional qualification in an undergraduate degree programme. *Education + Training, vol. 42(8), pp.453-461.*
10. Sarr, M.D., 2000, "Youth Employment in Africa: The Senegalese Experience". Background Paper No. 3, UN/ILO/World Bank Brainstorming Meeting on Youth Employment, UN Secretariat, New York, August 25th.
11. Stuliff, K.(2000). Integrating academics and industry: a Challenge for both sides. *In ACM Journal of Computer Documentation, Vol.24(1).*
12. Teichler, U. (1998). The requirements of the world of work. In Proceedings of the World Conference on Higher Education-Higher Education in the Twenty-first Century. *Vision and Action Volume IV. UNESCO.*
13. Teoh, S. (2006). Industry explores internship issues. *In The Star Online.*
14. United Nations, (2002), "Background Paper", Expert Group Meeting on Jobs for Youth: National Strategies for Employment Promotion, UN, New York.
15. United Nations, "Youth at the United Nations, Comparison of Country Profiles on the Situation of Youth – Africa Region

Table 1: Age Distribution of Interviewees

Age Groups	S T U D E N T S		Employers
	Ent & Fin	Other Depts	
20 - 29	70	65	5
30 - 39	5	8	12
40 - 49	-	2	25
50 - 59	-	-	6
60 and above	-	-	2
Total	75	75	50

Table 2: Sectoral Composition of Employers

Type of Businesses	Employers
Beauty Salons	5
Processed Foods	11
Restaurants	4
Communications	3
Construction Supplies	6
Financial Institutions	5
Poultry Farms	7



Mechanic Shops	3
Printing Press	2
Education	4
Total	50

Table 3: Factors Employers consider for Employment

Type of Businesses	Frequency
Practical Skills & Competency	40
Knowledge	6
Fluency	2
Neatness	2
Total	50

Table 4: Number of graduate respondents employed for the first 3 years after graduation

Years	Group of graduates	
	Ent & Fin	Other Depts
1	10	6
2	36	8
3	10	5
Total	56	19

Table 5: Type of business employed in the first 3 years after graduation

Type of Businesses	Group of graduates	
	Ent & Fin	Other Depts
Employed by others	28	19
Self - employed	28	-
Total	56	19