

Employability Skills Requirements of Labour Employing Industries in Oyo State, Nigeria

Kehinde Adefiola Olanipekun , Segun Adetipe , & Ayotola Aremu[‡]*

Abstract

It is well known that there is a significant skill difference between beginners' job requirements and the employability of graduates. Many of the graduates from Nigeria's knowledge institutions do not possess the basic skills that employers of labour look out for when carrying out their recruitment process. This research objective is to examine the perceptions of labour recruiters and industries about the skills, knowledge and attributes which make graduates employable and also the most important and most sought after skill(s) from the various industries.

The target population for this study comprises the employers of labour, human resource personnel of each industry, recruitment team of each industry, managers, and heads of departments as well as establishment officers of universities that see to the recruitment of workers. A multi-stage sampling technique was adopted for the study. Fifty-five respondents; employers of labour who are graduates were selected from four different industries for the study. Descriptive and inferential statistics tools were used in analysing the data collected.

Communication, learning, creativity, presentation skills and the use of technology are some of the skills requirements by almost all the employers in the industries. Findings from the study also shows that not only graduate employability skills are important for securing a place in the labour market, but also essential is the graduate's application of the skills learnt and acquired from the knowledge institution.

The study recommends strong sustainable linkage between knowledge institutions and graduate employers to reduce unemployment rate. Also, curriculum used in the tertiary institutions should be developed with contributions from the government agencies and industries such that what is required for improved graduate performance in the workplaces and national development will be included in the curriculum.

Keywords: Employability, Employability Skills, Graduates, Industries, Knowledge Institutions

Introduction

The primary source of promoting human resource development is higher education (Isa et al., 2024). Knowledge institutions are some of the places

Department of Business, Entrepreneurship and Executive Education, University of Ibadan School of Business

[‡] Faculty of Vocational Innovation and Engineering Education, Emmanuel Alayande University of Education, Oyo

Identifier: <https://doi.org/10.60787/eaued-jms.vol1no1.3>

where professional and highly skilled workforce of the country are trained and developed. Some of these professionals include engineers, administrators/managers, accountants, medical doctors and paramedics, lawyers, scientists, technicians, researchers and lecturers in disciplines. Recent scholars have emphasized that the primary goals of knowledge institutions are to generate, store, and transmit knowledge across various fields of specialization and expertise, while promoting cultural and moral values to enhance intellectual inquiry and societal development (Altbach, Reisberg, & Rumbley, 2019; Zeleza, 2016). University education plays a crucial role in the creation of knowledge economies and the development of societies globally (OECD, 2020).

The Federal Government of Nigeria (2013) aptly articulates the significance of Nigerian tertiary education, and university education in particular, in its National Policy on Education document *inter alia*:

To contribute to national development through high level relevant, manpower training; To develop and inculcate proper values for the survival of the individuals and society; To develop the intellectual capability of individual to understand and appreciate their level and external environment; To acquire both physical and intellectual skills, this will enable individuals to be self-reliant and useful members of the society; To promote and encourage scholarship and community service; To forge and connect national unity and to promote national and international understanding and interaction.

Contributing in the workplace is much more than just having the necessary technical skills, it involves immersing one into the organisations' aim and goals, understanding the environment of the workplace and having an informed knowledge of all of its requirements before taking up the job. Nigerian businesses aim to be more competitive, effective and more innovative. Businesses draw from the graduate workforce talent pool to further achieve their objectives. One of the mandates of the knowledge institutions is to produce graduates with the essential skills required by employers that will contribute to the country's economy and social capital.

Skills are a critical asset for individuals, businesses and societies. Basic skills should be encouraged and developed early in life by broadening and improving the quality of early childhood. It is of utmost importance to ensure that relevant skills are taught at school to prepare the graduates for

the work world. These skills should be maintained and improved on during working life.

Statement of the Problem

Youth unemployment remains one of the most pressing challenges within the global economic landscape. A significant factor contributing to this issue is the misalignment between the skills imparted by educational institutions and the competencies demanded by employers in the job market. Many employers of graduates report difficulty in finding suitably qualified and skilled workers to fill available positions (World Bank, 2015). Existing literature like Cousera (2023) suggests that, in addition to factors such as non-competitive wages, unfavorable working conditions, inadequate recruitment policies, and a geographic mismatch between the location of skills and available jobs, there are essential skills that, if lacking, render graduates unemployable. These critical skills are seen as non-negotiable by employers when recruiting new employees. Consequently, there is an urgent need to identify and investigate these key competencies that employers prioritize in their hiring decisions. This research aims to explore these essential employability skills, providing insights into what makes a graduate attractive in the job market, and bridging the gap between academic preparation and workforce readiness.

Research Questions

1. What are the employability skills required by the employers of labour in Oyo State?
2. In what ways do these requirements vary from industry to industry?
3. What are the perceptions of the employers concerning employability skills, knowledge and characteristics of graduates?

Hypothesis

There is no significant difference in employability skills requirement of the industries.

Literature Review

Theoretical Framework

The issue of youth unemployment, specifically the concept of unemployable graduates, can be theoretically supported by Harry Jerome's Structural Unemployment Theory (1934). This theory posits that structural unemployment arises when there is a mismatch between the skills workers

possess and the skills demanded by employers, primarily due to changes in the economic structure, technological advancements, and evolving industry needs. According to Jerome, this mismatch is a key factor leading to unemployment, even when job vacancies exist. In the context of this research, unemployable graduates can be understood as those whose educational qualifications and skills do not align with the rapidly changing needs of the labor market. The gaps between the skills imparted by educational institutions and the critical skills required by employers place graduates in a structurally unemployed category. Jerome's theory explains that shifts in industry demand, technological advancement, and global economic changes have rendered traditional academic training inadequate for immediate employability. As businesses seek specialized skills, graduates who do not possess these essential competencies are considered unemployable, despite the existence of job opportunities. This theoretical backing highlights the need to investigate the non-negotiable skills that employers require when recruiting new graduates.

In the same vein, the Human Capital Theory (Schultz, 1961; Becker, 1964) further supports this research problem. This theory asserts that investments in education and training enhance an individual's productivity, which directly correlates to their employability. The theory implies that if graduates do not acquire the right mix of knowledge, skills, and competencies, their productivity in the workforce is diminished, making them less desirable to employers. Human capital theory stresses that the value of education lies not only in credentials but in how well it equips individuals with the practical and intellectual skills needed for the workforce. Employers view graduates as investments, and those without critical skills are seen as liabilities rather than assets. This theory strengthens the argument for investigating what specific competencies employers deem essential for employability. If higher education institutions fail to produce graduates with those competencies, their human capital diminishes in value, contributing to the growing challenge of youth unemployment.

Together, Harry Jerome's Structural Unemployment Theory and Human Capital Theory provide a robust theoretical framework for understanding the problem of unemployable graduates. Jerome's theory highlights the structural changes in the economy that lead to skills mismatches, while Human Capital Theory emphasizes the importance of education in enhancing individual productivity and employability. These theories collectively reinforce the need for research into the critical, non-

negotiable skills that employers seek when hiring graduates, with the ultimate aim of bridging the gap between education and employment.

Youth Unemployment in Nigeria

Youth unemployment, particularly among university graduates, remains a significant challenge in Nigeria. The National Bureau of Statistics (NBS) reported that in 2020, youth unemployment rose to over 40%, with a large portion of this demographic made up of tertiary graduates. Despite the increasing number of graduates entering the labor market, many struggle to secure employment due to a lack of job-relevant skills. This issue underscores a disconnect between the training provided by educational institutions and the needs of employers.

The definition of unemployment as established by the Central Bank of Nigeria (CBN) (2008) includes those who are available for work but unable to find employment for at least 39 hours in a week. However, it excludes retirees and discouraged workers from this calculation. This definition extends to graduates who have completed their studies, are qualified to work, but remain unemployed.

According to Hayes (2024) unemployment is the situation where individuals who are actively seeking employment are unable to find work. It further says that, unemployment serves as a critical economic indicator that reflects the health of an economy.

Abiodun (2010) as well as IMF (n.d.) further notes that unemployment is measured by the percentage of the labor force that is without work at any given time, a definition that encompasses graduates unable to secure jobs despite having completed tertiary education.

One of the critical issues affecting graduate employability is the mismatch between the skills imparted by Nigerian higher education institutions (HEIs) and the skills demanded by the labor market (Adebakin, Ajadi & Subair, 2015; Babalola & Oni 2021). Dabalén, Oni, and Adekola (2000) as well as Pitan (2010) argue that the Nigerian labour market increasingly emphasizes non-academic skills, such as managerial abilities, technical expertise, interpersonal communication, and analytical thinking. These competencies are now essential in recruitment processes, surpassing traditional academic qualifications in importance. David (2002) supports this view, observing that employers are now more focused on practical skills and job performance capabilities rather than solely on academic degrees.

The National Universities Commission (2004) highlighted the need for universities to produce graduates with strong technical and interpersonal

skills. However, many Nigerian graduates continue to fall short of these expectations, as higher education institutions often emphasize theoretical knowledge over practical skill development. Employers frequently report dissatisfaction with the quality of graduates, who are perceived as lacking the requisite competencies to perform effectively in the workplace (Akerle, 2004; Minnaugh, 2023). Abiodun (2010) further notes that employers are now prioritizing hands-on experience and the ability to apply skills in real-world situations over the number of years a graduate has spent in formal education (Pang, et al. 2019).

In response to the growing challenges of youth unemployment, the Nigerian government has initiated several reforms aimed at enhancing graduate employability. A key component of these reforms is the introduction of entrepreneurship education in HEIs. Under the leadership of former President Olusegun Obasanjo, the Nigerian government approached UNESCO to assist in restructuring the country's Science, Technology, and Innovation systems, with a strong emphasis on promoting entrepreneurship (National Universities Commission, 2004). As part of this initiative, Entrepreneurial Studies and Career Advisory Centres were established in universities to equip students with the knowledge and skills necessary to start and manage businesses. The integration of entrepreneurship education into university curricula was intended to foster self-reliance among graduates and reduce their dependency on white-collar jobs. Entrepreneurial training provides students with the skills to create jobs rather than merely seeking employment. However, despite these efforts, the impact of entrepreneurial education on reducing youth unemployment has been limited, as many graduates still lack the practical skills required to navigate Nigeria's highly competitive job market (Miftahu & Tanko 2023).

Despite these initiatives, several challenges hinder the effectiveness of reforms in addressing graduate employability. One significant issue is the inadequate infrastructure and declining quality of education within Nigerian HEIs. Insufficient funding, outdated curricula, and a lack of practical training facilities have contributed to the growing gap between academic training and market demands (Ogundowole, 2002; Ogunode, Ajape & Jegede 2020). Furthermore, limited collaboration between universities and industry has made it difficult for institutions to stay updated on the evolving needs of the labor market. Additionally, while entrepreneurship education aims to equip students with job creation skills, it has not been widely successful in producing graduates who can effectively apply these skills in real-world settings. Many institutions still prioritize theoretical knowledge over practical training, leaving graduates ill-prepared to meet employer expectations.

Literature suggests that the disconnect between the skills taught in Nigerian HEIs and the competencies required by employers is a key factor contributing to graduate unemployment. To reduce graduate unemployment, there is a pressing need for more practical and industry-relevant training, stronger collaboration between universities and employers, and improvements in the overall quality of education in Nigeria.

Materials and Methods

The study adopted the descriptive research design of the correlational type. This will show the relationship between employability skills and task performance among graduates. The target population for this study comprises the recruitment team of each industry, managers, and heads of departments as well as establishment officers of universities that see to the recruitment of workers. This is because these groups of people oversee the recruitment of new staff in their industries. There are thirty-three local government Areas in Oyo State which has been divided into strata.

A multi-stage sampling technique was adopted for the study. The first stage involved the use of stratified random sampling technique to divide local government areas in Oyo State into Urban, Semi Urban, and Rural. The second stage involves the use of probability proportionate to size (PPS) of 30% to select samples of LGAs to be included in the study. The third stage involved equal allocation of two industries each to be used across the selected LGAs both in Urban and Semi urban areas and allocation of seven industries from Rural areas, respectively. The final stage involved the use of enumeration sampling technique to include all employers of labour at the selected industries in the study. Fifty-five respondents, employers of labour (graduates) from the financial, service, industrial, and educational sectors were chosen for the study. Structured questionnaires were used for data collection. Cronbach Alpha Coefficient method was used to assess the instrument's reliability. The coefficient was 0.662, indicating a high degree of consistency in the instrument's items. Data for the study were analysed using descriptive and inferential statistics which include ranking, mean and t-tests. If the t-test asymptotic significant is less than 0.05 reject H_0 , and conclude H_1 , if otherwise do not reject H_0 .

Results and Discussion

The various employability skills looked out for by the employers as well as the levels of importance attached to them by various industries are shown in tables 1 & 2. Communication skill is highly required of prospective

graduates seeking employment in the educational institutions, finance industry, and services industry as well as in the industrial sector (table 2). Employability skills, communications skills, learning skills, creativity skills, presentation skills and the use of technology are resounding skills which have strong endorsement and which employers would expect to see developed more in graduates in all the industries.

Apart from Communication skill which is in the educational industry, teamwork, problem solving skills, self-management skills, learning skills, creativity skills, interpersonal skills, use of technology, strategic planning, and cultural awareness and expression are other skills employers would want from graduates to be employed. Initiative and enterprise skills, planning and organizing skills, and managing customers are given little or no importance. Skills to be considered when recruiting into the financial institutions, include initiative and enterprise, planning and organizing self-management, learning, creativity, presentation skills, use of technology skills, managing customers and cultural awareness and expression. Little importance is attached to teamwork skills, problem solving skills, interpersonal skills, leadership skills and strategic planning.

In the services industries, prospective applicants or graduates need to possess all the skills as required by the employers. Services providing industries require all these skills to function effectively.

In the industries, apart from communications skills, learning skills, creativity skills, presentation skills and the use of technology which employers are on the lookout for in their different industries, teamwork, problem solving skills, initiative and enterprise skills, planning and organizing skills, interpersonal skills, leadership skills, strategic planning skills and managing customers skills are also key in the industry when there is a recruitment exercise. Not much importance is attributed to self-management skills, and cultural awareness and expression skills in the industry.

Table 1: Employability Requirements of Various Industries and Employers in Oyo State

SKILLS	TYPES OF INSTITUTION											
	EDUCATIONAL			FINANCIAL			SERVICES			INDUSTRY		
	LI	MRI	MSI	LI	MRI	MSI	LI	MRI	MSI	LI	MRI	MSI
Communication	26	35	47	12	17	19	23	29	32	29	34	27
Teamwork	10	44	54	13	18	17	16	40	28	29	45	16
Problem solving	23	46	57	16	21	19	16	45	37	41	30	34
Initiative and enterprise	5	27	13	11	12	36	3	30	23	16	17	27
Self-management	11	41	38	8	17	15	20	24	26	29	24	22
Learning	14	25	33	8	14	10	20	24	12	6	21	33
Creativity	4	23	27	6	10	8	7	22	13	16	13	16
Interpersonal	6	25	41	11	12	9	9	33	14	20	14	26
Leadership	6	26	40	5	14	13	4	32	20	16	11	33
Presentation	7	15	12	7	11	8	6	14	8	4	7	11
Use of technology	8	27	19	6	10	8	5	22	15	14	11	20
Strategic planning	0	20	16	1	10	5	3	13	12	10	8	12
Managing customers	4	9	11	0	30	24	4	27	11	13	14	18
Cultural awareness	0	19	17	3	14	13	3	10	12	9	2	7

Key: LI= Less Important, MRI= More Important, MSI= Most Important

Table 2: Employability Requirements of Various Industries

SKILLS	EMPLOYABILITY REQUIREMENTS OF VARIOUS INDUSTRIES			
	EDUCATIONAL	FINANCIAL	SERVICES	INDUSTRY
Communication skill	R	R	R	R
Teamwork (TW)	R	LR	R	R
Problem solving (PS)	R	LR	R	R
Initiative and enterprise (I & E)	LR	R	R	R
Planning and organizing (PL&OR)	LR	R	R	R
Self-management (SM)	R	R	R	LR
Learning (LR)	R	R	R	R
Creativity (C)	R	R	R	R
Interpersonal skills (IS)	R	LR	R	R
Leadership (L)	R	LR	R	R
Presentation skills (PSK)	R	R	R	R
Use of technology (UT)	R	R	R	R
Strategic planning (SP)	R	LR	R	R
Managing customers (MC)	LR	R	R	R
Cultural awareness and expression (CAE)	R	R	LR	LR

Key: R= Required, LR = Less Required

Hypothesis

Figures 1, 2, 3 and 4 show the variance of employability skills from industry to industry.

Figure 1 is the mean plot analysis on communication skills. Decision: Since t-test asymptotic significance is less than 0.05 ($0.004 < \alpha < 0.05$) H_0 is rejected; it means that the aggregate of figure 1 implies that communication skills are most searched and requested employability skill at the various industries. This was proved significant at 5% significant level based on the responses. It means that Communication Skill is an important skill and highly sought for in graduates, from the chart; the Private industry owners focus more attention on the communication skills of their prospective employees. This is indicated by (2.20) increase on the graph;

this is followed by the Sole Proprietorship firm with (2.16) and then the Public firms (1.60) respectively.

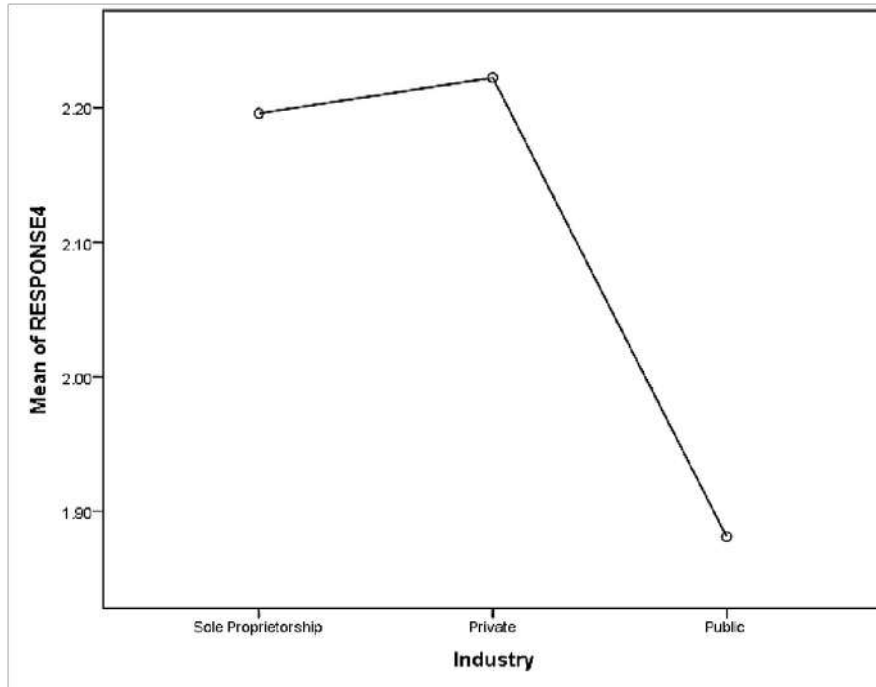


Fig. 1: Mean Plot analysis on communication skills.

Figure 2 is the mean plot result on planning and organizing skills that in the aggregate of figure 2 is the most searched and requested employability skill (Planning and Organizing skill) at the various industries. This was proved significant at 5% significant level. Respondents' responses from various industries as shown on the mean plot (figure 2) means that planning and organization skill is an important skill and highly sought for in graduates, from the chart; sole proprietors focus more attention on the planning and organization skills of their prospective employees. This is indicated by a rise of (2.40) on the graph; followed by the private firms with (2.20) and to the Public firms (2.10) respectively. As shown in the graph, industries' needs for good planners and organizers are on the increase, graduates are therefore encouraged to undergo several training sessions which will boost their planning and organizing skills.

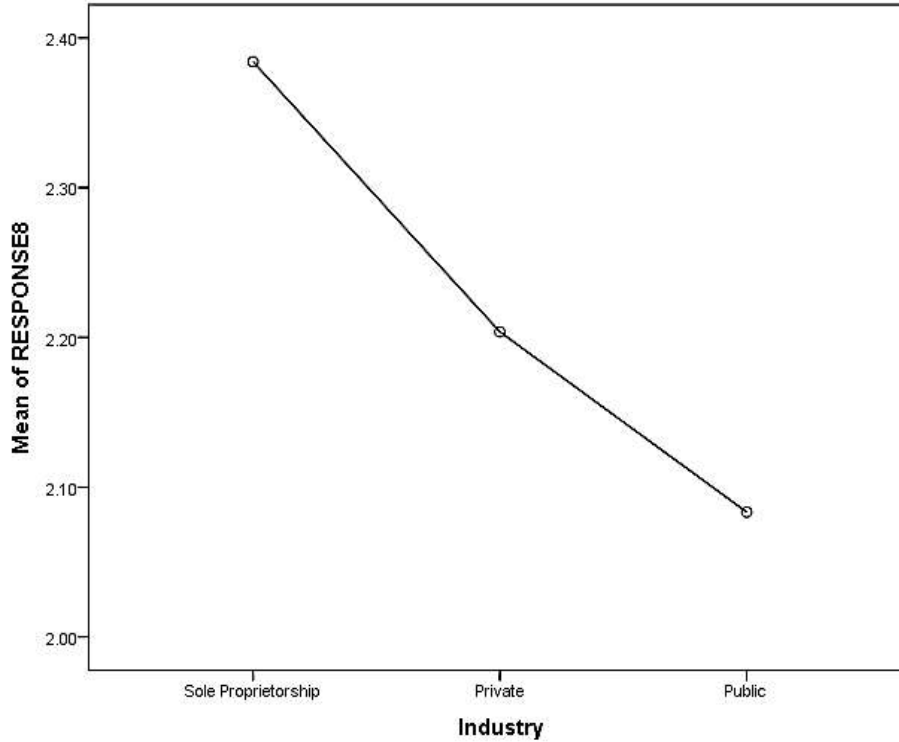


Fig. 2: Mean plot result on planning and organizing skill.

Figure 3 is the mean plot on creativity.

Decision Rule: If the t-test asymptotic significance is less than 0.05, reject H_0 , and conclude H_1 . If otherwise do no reject.

Decision: Since t-test asymptotic significance is less than 0.05 ($0.058 < \alpha < 0.05$) H_0 is rejected. It was concluded that the aggregate of tables 1 and 2 is a most searched and requested employability skill (Creativity) at all industries. This was proved significant at 5% significant level. The respondents' responses from the industries as shown on the mean plot (figure 3) revealed that industries consider creativity skills of graduates an important skill. The sole proprietorship industries and private industries have but a little difference in their quest for creative candidates for employment while this is followed by the public industries.

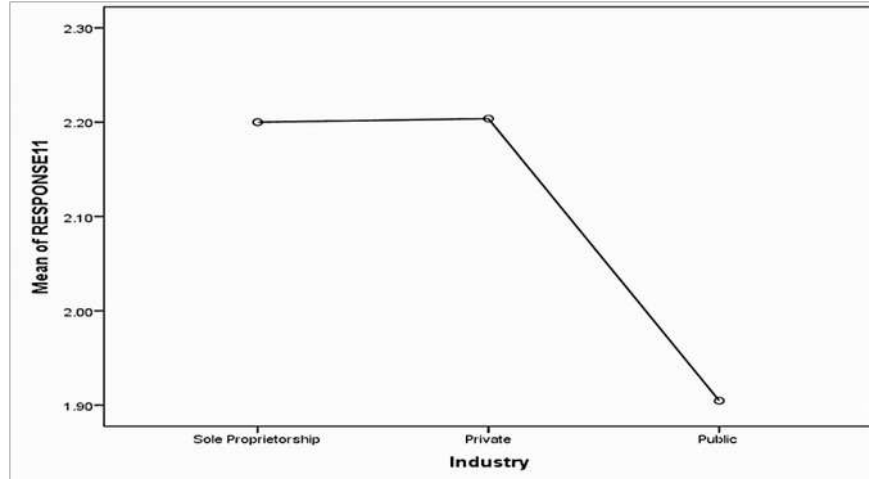


Fig. 3: Mean plot on creativity

Conclusion

Some of the most sought after skills or desirable graduate attributes in the workplace include communications skills, learning skills, creativity skills, presentation skills and the use of technology, according to this research. Furthermore, graduates ability to apply the knowledge and skills gained from knowledge institutions when they get to the world of work is critical. The most sought after skill in the workplace is soft skill but having the hard/technical skills can be an added advantage.

The study also found out that not all graduates are able to take calculated risks and project into the future of organizations, not all graduates are able to understand, use numbers and communicate in simple correct English, and not all young graduates can write and present written and verbal reports. These are skills that are important to employers, but which are missing in our graduates.

Recommendations

The following are the recommendations of the study:

1. Strengthen Partnerships: Forge durable, equitable collaborations between employers and higher education institutions to ensure mutual benefit and sustained success.
2. Align Course Design: Tailor degree programs and the overall student experience to meet business needs, leveraging partnerships with employers to inform course content and structure.

3. Adapt Curriculum: Develop curricula in consultation with governments, employers, and the labor market to ensure graduates meet performance standards and contribute to national development.
4. Enhance Communication Skills: Place greater emphasis on both verbal and written communication skills, recognizing their importance not only locally but also in the global job market, to improve graduates' employability.

References

- Abiodun, S. O. (2010). "Analysis of Mismatch between Demand and Supply of Skills and University Graduate Unemployment in Nigeria". Unpublished M.Ed. Dissertation, Lagos State University.
- Adebakin, A., Ajadi, T. O. & Subair, T. (2015). Required and possessed university graduate employability skills: Perceptions of the Nigerian employers. *World Journal of Education*, 5(2): 115-123. <https://doi.org/10.5430/wje.v5n2p115>
- Altbach, P. G., Reisberg, L. & Rumbley, L. E. (2019). *Trends in Global Higher Education: Tracking an Academic Revolution*. Brill Publishers. April 9, 2019
- Babalola, Joel B. & Oni Adesoji A. (2021). The dynamics of higher education and graduate employability in Nigeria. *Revista Universitară de Sociologie*. Year XVII, Issue 2: 217-223
- Central Bank of Nigeria. (2008). Annual Report and Financial Statements for the Year ended, 31st December, 2000.
- Federal Republic of Nigeria. (2013). *National Policy on Education* (6th ed.). Nigerian Educational Research and Development Council (NERDC).
- Hayes, A. (2024). What is unemployment? Causes, types, and measurement. *Investopedia*. <https://www.investopedia.com/terms/u/unemployment.asp>
- International Monetary Fund. (n.d.). Unemployment: The curse of joblessness. International Monetary Fund. <https://www.imf.org/external/pubs/ft/fandd/basics/unemploy.htm>
- Isa, A., Adamu, A. & Jibril, Z. A. (2024). Human Resource Development, A catalyst for economic growth and development: A case study of industrial training fund, Yola Area, Adamawa State. *International Journal of Social Sciences and Management Research* 10(4): 201-215. Doi:10.56201/ijssmr.
- Miftahu, Idris & Tanko, Fosen. (2023). Impact of entrepreneurship training on unemployment reduction in Nigeria. *Journal of entrepreneurship and Innovation Research* 2(2): 51-69.
- Minnaugh, J. (2017). "Employer Perceptions of the Skills Gap in College Graduates' Written Communication". Unpublished Doctoral dissertation, Walden University

- National University Commission. (2004). "Labour Market Expectations of Nigerian Graduates". Report of National Needs Assessment Surveys.
- OECD. (2020). *The future of education and skills: Education 2030*. Organisation for Economic Cooperation and Development. <https://www.oecd.org/education/2030-project>
- Ogundowole, K. (2002). "Alternative Structures for Enhanced In-depth Specialized Knowledge in Higher Institutions". A paper presented at the higher Education Research and Policy Network Workshop, University of Ibadan.
- Ogunode, N. J., Ajape T. S. & Jegede, D. (2020). University Education Policies in Nigeria: Challenges Preventing the Implementation and the Ways. *Journal Sinesthesia* 10(2) <https://sinesthesia.pustaka.my.id/journal/article/view/53>
- Pang, E., Wong, M., Leung, C. H. & Coombes, J. (2019). Competencies for fresh graduates' success at work: Perspectives of employers. *Industry and Higher Education*, 33(1): 55-65. <https://doi.org/10.1177/0950422218792333>
- Pitan, O. S. (2010). "Assessment of skills mismatch among employed University Graduates in Nigeria Labour market". Unpublished Ph.D thesis, Lead City University, Ibadan.
- World Bank Group. (2015). Skills gaps and the path to successful skills Development: Emerging findings from skills measurements surveys in Armenia, Georgia, FYR Macedonia, and Ukraine. Report No. ACS14318
- Zezeza, P. T. (2016). *The Transformation of Global Higher Education, 1945–2015*. Palgrave Macmillan.