

Nigerian Businesses and Education

– An argument for Direct Involvement in the Educational Sector

By Utonwa Okezie

Business Case

In a recent edition of the Nigerian Guardian a top executive, of a blue chip company in Nigeria, lamented the dearth of “qualified” graduates from Nigerian Universities. This is an accusation that Nigerian universities have faced over the past decade and the arguments of under funding and “brain drain” have been the fall back mantra of the beleaguered “Dons”.

The question will be asked: Does the current dearth of educated Nigerian graduate affect businesses in Nigeria? On face value, that is a seemingly simplistic and utterly silly question to ask because we know it does. But, the next logical question is to what extent? And what are the implications of this lack of skilled new recruits? In trouble shooting practice, we know that it is not enough to highlight and identify problems, but it is equally important to not only create and develop solutions, but also to carry them out. In this problem of manpower dearth, the private sector is in an optimum position to effectively provide a solution to this nationwide problem - from conception to implementation.

A closer examination of the extent of the problem and its resultant influence on businesses in Nigeria might help demonstrate if indeed business in Nigeria should play an active part in education, its curricula and the design of the educational system in Nigeria.

Let's examine the facts:

Fact 1: Despite the seeming plethora of available “heads “there is a war of talent.

Given the Nigerian setting this fact is hidden. For every resume you receive from a first class student, know that they have sent 10 copies to your competition. Your organization may acquire them first, but you can loose them (after paying all those costs as highlighted in fact 2) to your competition, except this time at an added cost – the cost of your training and development.

Fact 2: Recruitment as a business process has a cost attached to it.

In 2004, a recruitment company attempted to place a cost on the time and effort it takes to recruit one fresh graduate into any organisation (this was regardless of the position, job requirements etc). A basic internal recruitment process was mapped out, time estimated and allocated. The time taken, tools and personnel used in the various stages were translated into monetary terms and it was found that the process could cost over **a million naira per person!**

This is part of what fuels the argument made by HR functions in many organizations to outsource recruitment as a competence. In the long run, getting it right the first time is easier than repeating the same exercise over and over again due to recruitment “errors”. But once the right person has been picked what then? Obviously the fit of the organization to the individual becomes of paramount importance. But before that the organization has to find the right person, which as we can see can turn out to be a expensive venture.

Fact 3: Integration of new recruits into any organizations culture, business model and strategy can take even more time and money.

In a survey done recently by a global management consulting firm, it was found that one of the ten top concerns of chief execs (this survey was conducted on CEO’s of the topmost multinationals in the world) was “recruitment and **retention**” of top talent. Retention is simply the integration of talent into the already resident pool of human resource to form a unified, seamless, functioning machine to the extent that the recruit not only is a part of the organization but is also a stakeholder and has an emotional connection with the business. This is an important process that must take place as soon as possible. Enter the induction process.

For a lot of large organizations, the induction process is less of a welcoming committee offering free lunch, but more of **a business decision to force/ guide people into a particular attitude, culture or mode, all in order to help the new employee “get on with it”**. If you recruit some one who cannot fit into your mold (especially if you have a strong culture like a GT Bank), that person is like a virus that would be ejected – in other words this employee would not fit and once again is lost to you. The loss ranges from the obvious costs : salaries paid, benefits collected, trainings given, equipment allocated etc. to the hidden costs e.g. on the job training costs, administrative costs, time costs etc. The cost of failure here is much more than the recruitment costs. As the cost accrued here would include all the costs incurred and the recruitment costs.

Fact 4: Organisations in Nigeria now bear an additional hidden cost: -Acquisition of Basic skills for work

In recent times organizations have found the need to verify that their recruits have a basic knowledge of Math’s and English. Some organizations, due to their environment and portfolio (e.g services such as banking and finance that is largely regulated and specialist in nature) of products create mini schools where the new intakes are taught key skills necessary those organizations. However, some of the “basic” but necessary skills (upon a closer look) should have been acquired long before the recruiting stage. Offering training in the Microsoft Office Suite (Computer appreciation), business writing and basic mathematics have become mandatory to most organizations. These are skills that should have been acquired in the University. These training courses are short term solutions After all, can a 3 day course in

business writing really correct the formal educational lifecycle of poor understanding in basic grammar and syntax?

Fact 5: Once a trained recruit is lost that loss cannot be recovered

Every business owner fears the loss of staff, especially when significant, calculated investment has been made to get more productivity from, that staffer. Unless the staffer has developed some product that is hard and tangible patented to the hiring organization, this loss has no redeemable feature.

Fact 6: All these costs are inevitably passed on to the consumer leading, to less competitiveness on the part of business

Nigeria's challenging environment has caused a burst of creativity in selling products to the public. From banking services to manufactured products, a lot of products are developed and customized to fit the peculiarities of the Nigerian consumer. In as much as this has been a boost to the consumer (witness the price wars in telecommunication) it has been a difficult and hard task to keep up with efficient operations and yet appear consumer friendly on the part of business.

This is because there are additional costs that businesses in Nigeria bear directly which should have been borne by the government i.e. there is no enabling environment to foster growth problems in the environment include a lack of portable water, electricity, alternative means of transport to move raw material and communication. All these costs are passed in to the consumer and now (We beg to present) a further cost that also is contributed is manpower development. Nigeria has the third largest market potential after India and china. This market will only be primarily tapped first by businesses whose products are creative in terms of price, those that can't, will lose out.

There are 3 possible ways to mitigate these costs;

1. develop and great recruitment and retention scheme (talent management)
2. increase the available pool of talent
3. bring in "contract" specialist staff

Options 1 and 3 are methods already adopted by business, the argument here is that it might be a bit more cost effective to deal with the problem at the roots and that would be to adopt option 2 – Increase the available pool of talent.

How? Some ideas

1. **Direct investment into universities:** Obviously, this means funding. But not just philanthropic funding but targeted funding, deliberately focused at certain areas, with clear key performance indicators outlined to foster accountability and ensure that the

purposes for the funds are not forgotten. Using a very simple example would be investing in computers in a depart, key performance indicators would be the number of students that utilize the facility

2. **Partnering with Universities to develop core curricula:** Here the industry would drive the teaching in universities, of what is considered key business skills. Take a course like business management, the ability to develop or analyze a business plan could become part of the curriculum and as a final exam organizations could assess the best business plans and reward the winner accordingly.
3. **“Adopting” schools:** Just as the name implies taking a university, faculty or department under business wings can be a big leverage. Students progress can be encouraged and tracked. The end result won’t just be business savvy grandaunts, but also branded future for life customers.
4. **Utilising technology to deliver best practice thinking and creativity – E-learning:** Picture this – the telecoms sector “adopt” a university. They build an intranet, put “e-learning” courses such as ethics, corporate governance etc on it and publish their vision, mission, objective, values and ethics on that intranet. Partnering with the university authorities and using competitions, interactive sessions, job fairs; they get the students to actively use this “virtual university” (because that is what it essentially is). Upon graduation this sector will not only have a pool of technology savvy graduates to pick from, but also a group of young minds that are already adapting to that sectors culture. Plus, they have done some pretty intensive advertising and have presented themselves as a very socially responsive sector.
5. **Rewarding universities that produce the most relevantly skilled recruits:** Psychologists have shown that when a particular behaviour is reinforced, the exhibitor will most likely exhibit it again. If a method is devised (and I am sure it can!) to measure the skills sets of graduates produced from all the universities in Nigeria and the university with the best or most skilled graduates is rewarded, it will most likely give a reason to garner again that reward. The reward just has to be worth the effort.

The facts tell us that despite Nigeria’s termed “hostile” environment, businesses here have survived. Perhaps the universities would flourish as well and provide the much needed manpower to business, if the “survivors” were to teach them their survival skills, or business might keep on learning how to survive, instead of just living.