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SOCIOECONOMIC VARIABLES AS PREDICTORS OF GRADUATE OVERSCHOOLING: IMPLICATIONS FOR ENTREPRENEURSHIP EDUCATION

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Abstract

This study examined the significance of the individual and collective contributions of socioeconomic variables (unemployment, employability, socioeconomic status, job-skill match, and occupational mobility) to overschooling at the tertiary education level. Based on this, two hypotheses were formulated to guide the study. Using stratified random sampling technique, this ex-pot-facto research selected 500 students for the study from the Postgraduate School, University of Uyo. The self-assessment Graduate Overschooling Questionnaire (GROQUE) designed by the researchers was used in obtaining data which was subsequently analysed using regression analysis. The results indicate that unemployment, employability, socioeconomic status, and job-skill match had a potent collective effect on overschooling whilst occupational mobility returned as the most potent individual predictor of overschooling. The implication of these findings for entrepreneurship education was assessed exhaustively.

Keywords: Overschooling; Overeducation; Entrepreneurship Education; University graduates; Economic Stability.

Introduction

From times immemorial, illiteracy is dreaded in every society. This explains why formal schooling was embraced with open arms when the colonial masters and missionaries of pre-independent Nigeria introduced it in various parts of the country. In the past few decades however, formal schooling has attained a dreaded stance with the incidence of overschooling—especially at the tertiary level of education. Graduate Overschooling can be defined

operationally as being a graduate but not being in a graduate job (Chevalier & Lindley, 2007).

Modern worries of overschooling at the tertiary education level revolve around the role of higher education as the machinery for productivity, since education has hitherto been assumed to correlate with productivity. Becker (1964), in the Human Capital Theory maintains that education enhances productivity through its creation of human capital and development of

skilled labour. This perceived correlation has over the years fuelled heavy investments in education by individuals, government and non-governmental agencies. In the past few decades, however, scores of empirical investigations have raised doubts challenging the contribution of education to productivity (Tsang & Levin, 1985). Another worrisome concern is the attempt by scholars to correlate overschooling with wage penalty, job dissatisfaction and attendant counter-productivity and health issues (Walker & Zhu, 2003; Allen & van der Valden, 2001; Cohn, 1992; Cohn & Ng, 2000; Dolton & Vignoles, 2000; Groeneveld & Hartog, 2004; and Halaby, 1994).

Several reports have shown a rapid increase in tertiary education enrolment in Nigeria, where enrolments in Federal Universities grow at about 12% annually and enrolments in State Universities accounting for about 28% of Nigeria's total University enrolments (National Universities Commission, 2002). On the other hand, there has been a steady decline in the rate of graduate employment for reasons ranging from paucity of employment opportunities to increased un-employability of University graduates. A number of researches have indicated that the incidence of graduate overschooling is occasioned by the large expansion in the supply of graduates over a short period of time without commensurate absorption of these graduates by the labour market (Myck, & Vignoles, 2002; Walker & Zhu, 2005).

Several studies have correlated the increase in University enrolment with subsidy on education and expectations of favourable returns on investment in

schooling (Dearden, McIntosh, Myck, & Vignoles, 2002; Hartog & Oosterbeek, 1988; Machin, 1999; and Walker & Zhu, 2005). Besides expectations of favourable returns and subsidy on education, other researchers have discovered potent linkages between such concerns as employability, unemployment (job competition), and job mobility (especially vertical mobility) and graduate overschooling. Furthermore, the training which tertiary education students receive has not been fully successful at equipping them with desirable skills and competencies required for job creation and self employment (Madumere-Obike, 2000; Amaewhule, 2007; and Nwangwu, 2007). A meta-analysis of 25 studies on the incidence of graduate overschooling by Groot and van der Brink (2000) reveals that graduate overschooling is more concentrated among lower ability workers, buttressing the point that employability issues also sustain the incidence of graduate overschooling.

Allen and van der Velden (2001) in their study report that job-skill match/disparity also contribute to graduate overschooling. In line with this, Chevalier and Lindley (2007) found that overeducated workers do not merely possess less unobservable skills but that they have more undesirable skills. This submission implies that graduates will remain overschooled as long as their acquired skills is underutilised in their jobs. Further studies have shown that unemployment is a prominent factor in graduate overschooling. Dolton and Vignoles (2000) found that 38% of 1980 United Kingdom Graduates were overeducated—apparently settling for a job below their level of acquired

schooling due to non-availability of a perfect match—in their first job and that 30% of these graduates remained in that state six years later—bringing to the fore the econometric short-run long-run brouhaha.

Chevalier (2003) submitted that parental socioeconomic status, although an important determinant of higher education participation does not in itself significantly relate to overschooling. This position is true insofar as overschooling can be measured against such yardsticks as job-skill match, across-job wage equilibrium, among other factors. Not to be ignored however, is the fact that indirectly, parental and individual socioeconomic statuses do contribute to overschooling especially at the tertiary education level. Persons with economic wherewithal will conveniently invest in education with limited cost effect whereas where such economic might is lacking, individuals would reach a compromise and settle for jobs at the level of skills possessed without longing for additional education.

Still on the influence of unemployment, Chevalier and Lindley (2007) found that overschooled graduates are marginally more likely to have been unemployed than matched graduates. On the whole, compared to the apparently overschooled graduates, genuinely overschooled graduates spent more time in the labour market without being employed. This finding suggests that unemployment is a significant correlate of graduate overschooling. This is further corroborated by McGuinness (2007) who posited based on empirical findings that a corresponding rise in the availability of

graduate job will assuage the incidence of genuine overschooling. Also, Cohn and Ng (2000) found that low wage rate has a causal effect on graduate overschooling. The implication of this submission is that if graduates were to earn a wage premium, they would less likely be adjudged overschooled. This position is biased against other viable measures of overschooling in literature.

Finally, there exists research evidence that career mobility fosters and could assuage graduate overschooling, implying that career stagnation— inability of individuals to climb the corporate ladder in tandem with their educational attainment (vertical mobility) or move to other jobs more suitable to acquired level of schooling (horizontal mobility)—engenders graduate overschooling (Chevalier & Lindley, 2007; Lenton, 2011).

Purpose of The Study

In view of the economic implications of the overschooling phenomenon, this study seeks to discover the potency of selected socioeconomic variables in graduate overschooling among graduate students in the University of Uyo, Nigeria.

In specific terms, the purpose of this study is:

1. To examine the individual contributions of socioeconomic status, unemployment, employability of graduates, occupational mobility, and job-skill mismatch to overschooling among graduate students in the University of Uyo.
2. To examine the cumulative impact of these variables on the

incidence of overschooling among graduate students in the University of Uyo.

Statement of Hypotheses

The following hypotheses were formulated to guide this research

1. The individual contributions of the listed socioeconomic variables (socioeconomic status, unemployment, employability, occupational mobility, and job-skill mismatch) do not significantly predict overschooling among graduate students in the University of Uyo.
2. The collective contributions of the listed socioeconomic variables (socioeconomic status, unemployment, employability, occupational mobility, and job-skill mismatch) does not significantly predict overschooling among graduate students in the University of Uyo.

Method of The Study

Sample: The research was conducted in the Postgraduate School of the University of Uyo, Nigeria. The population of the study thus consisted of all the graduate students in the University of Uyo at the time of the study. A total of 500 postgraduate students of the University of Uyo were selected for the study using the stratified random sampling technique.

Instrument: The instrument for data collection was the researcher made Self-assessment Graduate Overschooling Questionnaire (GROQUE) which comprised two sections. Section A obtained demographic data whilst Section B

assessed indices of overschooling. The face and content validities of the items on the instrument were ensured by subjecting the items to rigorous assessment and reviews by 3 experts in Measurement and Evaluation based on existing literature on overschooling. Their expert recommendations were duly integrated into the final copy of the instrument. The reliability estimate of the instrument was obtained through a test re-test procedure involving 50 graduate students. An analysis of the two sets of scores obtained yielded a Pearson correlation coefficient of 0.91 for socioeconomic status, 0.73 for unemployment, 0.62 for employability, 0.78 for occupational mobility, and 0.70 for job-skill mismatch.

Design and Statistics: This was an ex-post-facto survey. The design was considered fitting since the variables under investigation could not be kept under control. Regression analysis was used to assess the individual and collective contributions of the selected socioeconomic variables to the incidence of overschooling.

Presentation and Discussion of Results

The individual and collective effects of the socioeconomic variables on overschooling were analysed using regression analysis as shown in Table 1. The discussion of the findings of this study is discussed in the light of the two hypotheses tested in the study based on the data analysis.

Hypothesis One

To ratify this hypothesis, which claimed that the individual contributions of the listed socioeconomic variables (socioeconomic status, unemployment,

employability, occupational mobility, and job-skill mismatch) do not significantly predict overschooling; the data gathered from respondents were analysed using regression analysis (See Table 1 below). The result shows that occupational mobility exerts the strongest influence on overschooling whilst the influences of other variables (socioeconomic status, unemployment, employability and job-skill mismatch) are merely due to chance. Their

weights of influences as shown by their beta weights are significant at 0.05 level. Based on this outcome, the null hypothesis which claimed that the socioeconomic variables do not significantly predict overschooling is rejected. This means that these socioeconomic variables have a significant contribution to over schooling.

Table 1: Summary of Regression Analysis of the individual and collective contributions of the socioeconomic variables to overschooling

<i>Regression Statistics</i>	
Multiple R	0.143418839
R Square	0.020568963
Adjusted R Square	0.010655694
Standard Error	1.231224745
Observations	500

<i>Source of Variation</i>	<i>df</i>	<i>Sum of Square</i>	<i>Mean Square</i>	<i>F-ratio</i>
Regression	4	15.724	3.931	2.593*
Residual	495	750.377	1.516	
Total	499	766.102		

<i>Variables</i>	<i>Coefficients</i>	<i>Standard Error</i>	<i>t</i>
Constant	20.601	1.316	15.653
Employability	0.009	0.013	0.725
Job-Skill Match	-0.0018	0.011	-0.152
Unemployment	0.005	0.011	0.440
Occupational Mobility	-0.064	0.021	-3.099*
Socioeconomic Status	-0.002	0.011	-0.149

*p<0.05; Critical F (4, 495) = 2.39; Critical t = 1.96

This research returns occupational mobility as the most potent individual predictor of overschooling. This result is in consonance with the result

obtained by Chevalier (2003), Green and McIntosh (2007) and Lenton (2011), that vertical and horizontal mobility of labour engenders

overschooling among graduates. Although the current research portrays a no significant verdict on the job-skill mismatch, results reported by Dolton and Vignoles (2000) show that graduate overschooling was influenced by job-skill match disparity, and similar results were obtained by Allen and van der Velden (2001) and Chevalier and Lindey (2007). Furthermore, a study by Chevalier (2003) correlated socioeconomic status with the incidence of overschooling. This position supports the outcome of this study as it could be observed that socioeconomic status is among the most potent predictors of graduate overschooling. This is also in agreement with Becker's (1964) human capital theory which asserts that individuals will continue to school as long as they can bear the cost of schooling—implying that those with better or more favourable socioeconomic disposition are more likely to acquire too much schooling. These submissions also learn credence to the outcome of this research which asserts the predictive power of one's socioeconomic status on overschooling. Though this study returns a no significant verdict on the effect of unemployment on overschooling, potent results were obtained by Chevalier and Lindey (2007), McGuinness (2007), and Cohn and Ng (2000) in their separate studies on the impact of unemployment and suitable employment opportunities on overschooling.

Hypothesis Two

The second hypothesis postulated that the collective contributions of the listed socioeconomic variables (socioeconomic status, unemployment, employability, occupational mobility,

and job-skill mismatch) does not significantly predict overschooling. The analysis in Table 1 yielded an F-ratio of 2.59 which was significant at $p < 0.05$, implying that collectively, the socioeconomic variables can be used to predict overschooling in Nigeria. Thus the null hypothesis that predicted a no significant collective contribution of the socioeconomic variables to overschooling is rejected.

This outcome is not different from that obtained Chevalier and Lindey (2007) who found a correlation between employability of graduates due to lack of desirable skills and competencies and overschooling. It is also in line with the findings of Nwangwu (2007), Amaewhule (2007), and Madumere-obike (2006), who found in their separate studies a correlation between unemployment due to lack of job creation and self employment competencies and overschooling.

Implications for Entrepreneurship Education

Nigerian university graduates often complain of high levels of unemployment. As evidenced in the outcome of this study, graduate unemployment is not only a real situation in Nigeria, but so pervasive that it spawns among other things, overschooling with attendant wage penalty. The situation is of such concern that hundreds of unemployed university graduates mounted a demonstration in front of the presidential offices (Aso Rock) on October 18, 2000 demanding that government provide them with jobs. Generally, Nigerians are not estranged to cases of youth restiveness linked to unemployment.

On the other hand, Employers complain that graduates are poorly prepared for work. They believe that academic standards have fallen considerably over the past decade and that a university degree is no longer a guarantee of communication skills or technical competence. As a result, university graduates are commonly viewed as "half baked." Stories and jokes abound in Nigeria regarding the supposed shortcomings of University graduates.

Measured against such criterion as wage, overschooling—its incidence and consequences—could be curtailed through entrepreneurship education if implemented in tertiary institutions in Nigeria. Entrepreneurship education denotes all forms of knowledge delivery that seek to empower the individual to create real wealth in the economic sector, thereby advancing the cause of development of the nation as a whole (Ekpoh & Edet, 2011). According to Bassey and Archibong (2005), the goal of entrepreneurship education is intended to empower our graduates irrespective of their areas of specialization with skills that will enable them to engage in income yielding venture, if they are unable to secure jobs in the public sector.

As an expose, a recent study by Ekpoh and Edet (2011) shows that exposure to entrepreneurship education influences career intentions of tertiary school students in Nigeria. The implication of this finding is that if all Nigerian students are reoriented from job seekers to job creators and equipped with necessary entrepreneurial wherewithal, there will not only be economic yield that is at par with educational attainment but

also, job-skill match, maximum skill utilization, zero unemployment, and occupational mobility. All these will in the econometric long run translate into national economic stability, labour wage premium, and zero overschooling at the tertiary education level.

Conclusion

The purpose of this study was to ascertain the individual and collective influence of socioeconomic variables (employability, unemployment, occupational mobility, job-skill match, and socioeconomic status) on the incidence of overschooling. Based on empirical findings, these variables (collectively) exert significant effect on overschooling. Individually, occupational mobility, employability, and unemployment exert the most significant influence on overschooling, in a decreasing order whereas socioeconomic status and unemployment exert the most significant influence on overschooling in Nigeria. Since concerns over unemployment usually border around graduate employability, possession of desirable skills, it has become apparent that the acquisition of wealth creation capacities (entrepreneurship) would go a long way to cushion the socioeconomic effects of overschooling in Nigeria as espoused in the preceding section.

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