

# Entrepreneurial Human Capital Development and Economic Future of Nigerian Graduates

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## Abstract

The increasing influence of globalization and emergence of knowledge economy with resulting paradigm shift in Nigerian universities traditional pedagogical role have led to the adoption of entrepreneurship education in the curriculum of universities for developing critical human capital and as well as mitigate the social consequences of graduate unemployment on the citizenry and the society at large. This study however attempted to examine the adoption of entrepreneurship education as a multi-disciplinary approach in all Nigerian universities curriculum for developing the needed entrepreneurial human capital. A sample of 300 graduates currently undergoing their mandatory National Youth Service Corp (NYSC) in Portharcourt, Rivers State having entrepreneurship education background prior to graduation in their various universities and entrepreneurship training programme during orientation camp was selected. The instrument titled "Entrepreneurial Human Capital and Graduate Economic Future Questionnaire" (EHCGREFQ) was analyzed with descriptive statistics and the findings however revealed use of mentoring and coaching, developing business plan and feasibility, case study as some pedagogical approaches that can be adopted in Nigerian universities. Again the teaching of entrepreneurship in Nigerian universities equips would-be graduates with generic employable skills vital for developing ownership mentality/new orientation, innovation, urge for autonomy and independence responsible for the development of small and medium scale industries and technological growth. The study further revealed some socio-economic implications of entrepreneurial human capital development as wealth creation, employment generation, increasing life expectancy and living standard, poverty and crime reduction which have direct impact on the national economy. It is however recommended that entrepreneurial educators should use teaching methodologies that will specifically enable future graduates acquire essential employable skills and develop strong entrepreneurial character of ownership mentality, autonomy and independence which favour small and medium enterprises.

**Keywords:** Entrepreneurial, Human Capital and Entrepreneurial Education

## 1. Introduction

The globalization of education services and the emergence of knowledge economy have consequently brought about a paradigm shift from the traditional role of universities to innovation and entrepreneurship. Universities are now faced with more challenging problems of global competitiveness and now seeking ways of providing more useful and relevant educational services. This is borne out of the need to respond to the unprecedented demands of globalization by re-designing their curriculum to equip the future generation of graduates with skills, knowledge and attitudes to cope with the challenges of productivity. Olanipekun (2013) however noted that high level of education in general and higher education provide the foundations for a nation innovative capacity, and contribute more than any other social institution to the development of civil society. He further observed that countries over the years have used university education as a source of growth, for instance, China embarked on a knowledge-based growth track by attracting foreign direct investment and then building indigenous knowledge capacity through huge investment in education and research.

Unfortunately, investment in education, research and development (R&D) in Nigeria like their peers in Africa still remain insignificant and unsatisfactory. Nigerian government is still yet to satisfactorily meet the United Nation budgetary benchmark in education since its declaration. This situation may have limited the capacity of universities to effectively achieve the national goals and produce largely employable graduates that have the consciousness to drive competition and development in the current globalized economy. Nigeria currently is experiencing a glut in the supply of graduate labour as against the demand for them. Many graduates have become incapable of meaningful economic activities despite having qualifications certifying them competent. By implication the quality and focus of training by universities were incompatible with the needs of the society resulting in high rate of unemployment since many graduates lack skills needed by employers and of little relevance to the economic development of the society.

Economic security is now doubtful due to the declining economic fortunes with high social consequences. Although, unemployment is a global phenomenon, yet, the increasing rate at which it ravages the economy of Nigeria and African States demands better approach to salvage the continent. The recent United Nations Development Programme (UNDP) publication of Human Development Index according to Nnamani (2013: 23)

ranked Nigeria among countries with low development index at 153 out of 186 countries and the National Bureau of Statistics put the rising profile of unemployment at 23.9 percent in 2011.

The low human capacity index in Nigeria and other Africa countries can be attributed to number of causes that have affected their productive capacity. In Nigeria, for instance, the rising unemployment profile is directly caused by lack of adaptable institutional curriculum, inability of graduates to apply their theoretical knowledge in real life situations, lack of self-confidence, lack of proper understanding of their professional requirements and having no business notion. At the same time they are inexperienced in human and business relationships and deficient in communication skills have both contributed to the downward trend in so many economies in Africa.

Contrary to the outlined trend, entrepreneurship appears to be the most promising option for Nigerian graduates' economic empowerment, national economic prosperity and global competitiveness. According to Andrea (2005) the current push to foster entrepreneurship skills teaching and learning in higher education curriculum and the development of entrepreneurial universities arises mainly from the fundamental changes in tertiary education sector and the larger society. Kaijage and Wheeler (2013) have also noted that the pressures of globalization adding new challenges to evolving and highly competitive job markets, it has become widely accepted that the classic undergraduate business or commerce and the generalist MBA are no longer adequate to respond to the skill requirements of a global marketplace for entrepreneurial talent.

In this regards, the National Universities Commission (NUC, 2011) directed the integration of entrepreneurship studies into university education as means for preparing the youths to be responsible enterprising individuals who will turn entrepreneurs and contribute to economic development and sustainable communities. Entrepreneurship education in Nigerian universities is designed to equip graduates with productive skills to engage in income-yielding ventures. As a result, employability and entrepreneurship have continued to remain the focal point and now impacting on the design of many universities curriculum. Okebukola (2011) also advanced some reasons to justify the inclusion of entrepreneurship education in Nigerian universities as the capacity to boost national economic development, lowering poverty level and raising life expectancy and living standards, job creation and improve the relevance and public respectability of the universities. Zhining HU, Zheng & Wang (2010) have observed that when a country strives for an enhancement in technological innovation and human capital stock, a high priority should be given to the growth of entrepreneurial efforts. Hence the study is designed to address this obvious need in graduates' preparation by adopting entrepreneurship Education as an alternative approach for developing critical human capital.

## **2. Research Questions**

1. What are the pedagogical approaches that can be adopted by entrepreneurial educators in universities for developing human capital?
2. What are the various essential employable skills that can guarantee economic future of graduates?
3. What are the various socio-economic implications of entrepreneurship education?

## **3. Entrepreneurship education and entrepreneurial human capital development in Nigerian Universities**

The National goals for Nigeria university education have the semblance of entrepreneurial culture. The National Policy on Education (NPE, 2004) section 8, subsection 59 (d) emphasized the acquisition of both physical and intellectual skills which equipped prospective graduates to be self-reliance and useful members of the society. But the actualization of these goals has been largely determined by theoretical knowledge acquisition without functional skills. The structure and content of formal education in most developing economies is designed to prepare students for conventional careers without emphasizing creativity and entrepreneurialism. This prevailing situation has negated the drive for economic development in Nigeria. However, the recent Curriculum Development workshop for Tertiary Education organized by the Federal Government in collaboration with the National Universities Commission, Abuja (NUC, 2004) directed compulsory entrepreneurship education in Nigerian universities. Although, the policy directive by the government apparently was aimed to help achieve this goal, and through it, reduce the rate of graduate unemployment requires strong support for practical orientation to be successful. Such practical orientation must be able to provide would-be graduates repertoire of employable skills and increase their capacity for lifelong learning. Entrepreneurship education is therefore defined as the process of providing individuals with the concept, creativity and skills to recognize opportunities that others have overlooked and to have insight, self-esteem and knowledge to act where others have hesitated (Henry and Hill, 1994). Entrepreneurship education is about promoting change in attitudes to increase the number of future graduates who can consider business start-up as viable option.

The World Economic Forum (2009) noted that entrepreneurship has never become as important as it is today when the world is confronted with big challenges that extend well beyond the global economy. In recognition of the importance of entrepreneurship to economic growth the Global Education Initiative (2008) set four major advocacy objectives for advancing entrepreneurship education as in Abraham and Nworgu (2009) which include:

- Highlight and raise awareness of the importance of entrepreneurship education in spurring economic growth and in achieving the Millennium Development Goals.

- Consolidate existing knowledge and good practices in entrepreneurship education around the world in the form of a report to enable the development of innovative new tools, approaches and delivery methods
- Provide recommendations to governments, academia, the private sector and other actors on the development and delivery of effective education programmes for entrepreneurship.
- Launch a process in which the recommendations can be discussed on the global, regional, national and local levels and implemented with the involvement of key stakeholders.

According to Volkmann (2004) one becomes an entrepreneur not by birth but by environmental forces such as education and experience. For instance, the McClelland (1965) psychological theory strongly believes that achievement motivation is a critical determinant of entrepreneurial behavior developed through education and training. McClelland's Kakinada training model successfully eliminated barrier of limited aspiration faced by trainees with a schema that focused extensively on success, setting of plans and goals, emulation of models of achievement and positivism. According to him achievement motivation is the principal driver of entrepreneurial development and that a country with high score is associated with a high drive for entrepreneurship development. However, entrepreneurship education system according to Gorman (1997) is oriented towards "doing" more than thinking and that learning must be personal, practical and experiential through discovery. This therefore focused more on learning by doing activities in a group setting and concern for next work context rather than teaching them in classroom setting. The European Commission conference (2006) embrace experiential learning in terms of delivery and that greater emphasis should be placed on experiential and action learning. There are quite a number of pedagogies that can be utilized, which may include case study, team projects and activities with entrepreneurs in universities.

Entrepreneurship teaching investment has started gradually in all public/ private owned universities in Nigeria with strong desire to produce young techno-entrepreneurs in various professions possessing enterprising mindsets that will industrialize the Nigerian economy and Africa in general. Entrepreneurship for now is offered as a general unit course in two phases GST 223(introduction to entrepreneurship studies) and GST 331 (entrepreneurship studies II). Each university offers the course at different level but across all academic programmes. Unfortunately, in most universities across Nigeria entrepreneurship is taught only in theory and without industrial collaboration to complement the practical aspect and properly equipped prospective graduate-entrepreneurs with technological skills. Entrepreneurs are essential for advancing the course of technological development and emergence of small and medium scale industries and the social, economic and political security of nations lie in their entrepreneurs.

The curriculum however emphasized exposure of would-be graduates to concept and theories of entrepreneurship, new venture creation, business plan and feasibility, financial planning, marketing and general management. While the second phase focused mainly on vocational trades and production. The (NUC, 2011) benchmark for minimum academic standards (BMAS) for entrepreneurship included a checklist of vocational trades as an essential aspect of the entrepreneurship education and training. This multi-disciplinary approach is aimed to prepare students irrespective of their academic specialization to acquire practical skills in one of these vocational trades in the entrepreneurship centers in addition internship for industrial exposure. According to Otth (2011) many developing countries of African continent have now considered entrepreneurship as the only way of achieving industrialization and therefore making conscious efforts for developing indigenous entrepreneurs.

As an alternative measure for unemployment reduction, Norasmah et al (2012) believe that one of the approaches in developing human capital is through education and entrepreneurship training. Lasisi and Nwoke (2009) equally established a correlation between entrepreneurial training and human capital development for building entrepreneurship spirit in young people. Conventional intellectual development through multi-academic programmes by universities is considerably inadequate without building an entrepreneurship spirit in students who would later become future graduate- entrepreneurs. In recent times, government policy makers, economists and employers of labour in different forum have advocated for greater emphasis on human capital and its multiplier impacts to both individual, industrial organization and macro-economic sector. Heckman et al (1998), Martimort and Verdier, (2003), Young (1995) in Zhining HU, Zheng and Wang (2010) all noted that at the individual level, human capital is an influential factor for determining a person's income, employment status, labour mobility. Human capital, at the industrial organization level is an important asset of the firm and the empowerment of human capital is related to an increase in international competition. While at the aggregate level, human capital's crucial role enhanced a country's overall economic performance. Specifically, skilled and adaptable human capital is necessary catalyst for national economic development and especially developing countries must take advantage of the diverse potentials provided by the explosion of new knowledge and accelerating technological changes in the world.

Human capital according to Organization for Economic Cooperation and Development (OECD, 2001) is described as the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the

creation of personal, social and economic well being. The fact remain that human capital is a major enabler of national development and the concept emphasized continuous steady enhancement of knowledge, skills and abilities. It is therefore an embodiment of training, education and other professional developmental programmes that considerably raise one's levels of knowledge, skills, abilities, values and social assets which eventually result to satisfactory performance.

Rastogi (2000) identified three distinctive factors of capital that are essential elements of entrepreneurial process as; human, financial, and social capital. Human capital generally means the skills, experience and education entrepreneurs possess and utilize in venture creation and management of enterprise with the objective of creating wealth. On the other hand, financial capital encompasses the amount of money and equity funds available to entrepreneurs for the purchase of other factors of production for start-ups while the social capital is the ability of entrepreneurs to build social networks that can add value to any enterprise. The above outlined factors are however very essential for the development of entrepreneurship. In fact, the potential offered by the explosion of new knowledge and accelerating technological changes, call for the need to address the issue of how to foster an investment in human capital. According to Agomuo (2001) Nigeria economic recovery like other Africa States lies on the development of entrepreneurship spirit in Nigerian graduates that will assure them of their economic security and future.

#### 4. Methodology

The population of this study consists of graduates from Nigerian universities. The actual numbers of the population was six hundred and fifty (650) graduates posted for National Youth Service Corp programme in Rivers State, Nigeria. But the study eventually was conducted using common random method to obtain a total sample number of 450 graduates currently undergoing the mandatory National Service in Portharcourt, Rivers State but data were collected from 300 respondents. The criteria for the selection of sample were simply entrepreneurship education background prior to graduation in various universities.

Descriptive design was adopted to describe the phenomenon under study, gather and collate data for statistical analysis. 18-items instrument titled "Entrepreneurial human capital and Graduate Economic Future Questionnaire" (EHCGREFQ) was adopted from the propositions developed by Gibbs (1995) in Kaijage and Wheeler (2013) with modifications. The instrument was based on 4-point Likert measuring scales to obtain respondents' opinions. Face validity was aptly adopted by experts in measurement and evaluation and entrepreneurship education with 0.85 reliability level obtained from Rivers State University of Science and Technology. The data gathered were then scored and analyzed with descriptive statistics in order to establish a common ground.

#### 5. Data Analysis

Research Question 1. What are the pedagogical approaches that can be adopted by entrepreneurial educators in developing human capital?

Table 1. Mean Analyses of Pedagogical Approaches for Developing Entrepreneurial Human Capital in Universities

s/n	Questionnaire	N	$\bar{x}$	Sd
1	Using mentoring and coaching approach	300	2.60	1.513
2	Developing business plan		2.57	1.503
3	Exposure to industry and business institutions		2.50	1.499
4	Preparing and presenting feasibility of business venture		2.59	1.511
5	Case study of biographies of successful entrepreneurs		2.56	1.501
6	Product development practical in entrepreneurship centers and marketing		2.59	1.511

The above results explained how best Nigerian universities can develop entrepreneurial human capital. The pedagogical approaches/or techniques identified for improving teaching and learning of entrepreneurship vary in mean ratings. These pedagogies were considered more important by respondents for providing the needed experiential learning and imparting positively by entrepreneurial educators.

Research Question 2: What are the various essential employable skills that can guarantee economic future of graduates?

Table 2. Mean Analysis of Essential Employable Skills that can Guarantee Economic Future of Graduates

S/n	Questionnaire	N	X	Sd
7	Develop ownership mentality (new orientation)	300	2.51	1.357
8	Identify and exploit opportunities		2.60	1.501
9	Develop effective communication skills		2.61	1.526
10	Constantly seeking knowledge		2.49	1.584
11	Innovates and brings in new products		2.55	1.488
12	Having strong urge for autonomy and independence		2.47	1.546

The results above clearly showed some critical employable skills that can secure and guarantee graduates' economic future. These employable skills were ranked high by respondents' mean ratings.

Research Question 3: What are the various socio-economic implications of entrepreneurial education?

Table 3: Mean Analysis of the Socio-Economic Implications of Entrepreneurship Education

S/N	Questionnaire	N	X	Sd
13	small and medium business development and Wealth creation	300	2.69	1.518
14	Employment generation		2.77	1.452
15	Improve living standard and life expectancy level		2.66	1.471
16	Poverty alleviation		2.85	1.569
17	Crime reduction		2.70	1.456
18	Impacting the national socio-economic status		2.68	1.568

The results above showed the multiplier effects of entrepreneurship education to Nigeria socio-economic development. The respondents unanimously believe that entrepreneurship education can significantly bring about the creation of small and medium business enterprises, employment generation and raise the living standard and life expectancy level of graduates in Nigeria.

### 6. Discussion of Findings

Entrepreneurship education is implemented through education and training. Therefore, universities remain key players in implementing entrepreneurship curriculum and making it beneficiary to society. Investment in entrepreneurship education provides the foundation for developing human capital and is a precondition for industrialization. Thus, universities in Nigeria in order to meet the challenges of growing economy have re-designed their curriculum to provide the future generation of graduates with skills, knowledge and attitudes that can promote small and medium enterprises. Specifically, entrepreneurial education is an enabler for developing achievement motivation which is a critical determinant of entrepreneurial behavior.

Norasmah et al (2012) also believe that one of the approaches in developing human capital is through education and entrepreneurship training. Education for and about entrepreneurship will only be more meaningful using variety of pedagogical approaches and other experiential learning methods. These pedagogical approaches such as mentoring and coaching, industrial and business institution exposure, business plan have remained critical experiential techniques for the translation of entrepreneurial curriculum and for improve learning. Mueller et al (2006) in a study discovered that action learning based- entrepreneurship program among undergraduate students in Germany, Singapore, China, Korea and United States offered students opportunity to apply their academic learning in a practical environment. Entrepreneurship, therefore, is action-oriented, more than thinking and makes learning more personal, practical and experiential through discovery. These techniques in addition to internship and or industrial work experience are considerably essential for developing entrepreneurship spirit of small and medium business ownership, identify and exploiting business opportunities. Hence entrepreneurs are more popularly known as innovators. They bring new products to market through constant acts of innovation. Consequently, effective communication skills and having wider knowledge of business are enablers of the growth of entrepreneurship and employability among young people. These special employable skills are critical human capital needed by young people and adults to develop strong desire for autonomy and independence. Entrepreneurs are essential for advancing the course of technological development and the social, economic and political security of nation's lies with entrepreneurs. Apparently, the socio-economic implications of entrepreneurship are better imagined in developing countries especially Nigeria now than before. The multiplier effects of entrepreneurship cut across personal, institutional and national benefits. Entrepreneurship contributes to wealth creation, employment generation, improve living standard and increase life expectancy in addition to poverty alleviation and crime reduction. These socio-economic indicators impact the national gross domestic product by exploring and maximizing factors of production. Entrepreneurs as economic agents transform factors of production for new combinations. Therefore, it is feasible for young people who tend to advance their economic freedom and security.

### 7. Conclusion

Knowledge economy is currently re-defining university education and global labour market. As a result, many nations have continued to invest in human capital development and employability of their citizenry by engaging in entrepreneurship education. In most economies of the world, human capital played critical role in national development, technological innovations and creation of employment opportunities. This concern for entrepreneurship and employability of graduates is now making greater impacts on the curriculum. The teaching and learning processes of entrepreneurship is a direct approach to human capital development in Nigeria. The teaching is aimed to promote awareness among students through the use of business plan and feasibility study, group projects, case study and relating teaching experiences to career opportunities in their

academic discipline. The outlined approaches are expected to bring about the needed critical human capital for the development of knowledge-based industries.

## 8. Recommendations

In line with the study, the following recommendations made provide basis for more effective implementation.

- Entrepreneurial educators should adopt more experiential teaching approaches/or methodologies that can improve knowledge impartation and develop in students new orientation and mindsets for wealth creation through the development of small and medium scale industries and technological growth.
- The teaching of entrepreneurship should focus specifically on essential skills that will help would-be graduates develop strong entrepreneurial character of ownership, autonomy and independence that supports entrepreneurship.
- Effective entrepreneurial education should be considered by universities as a critical enabler for creating employment, raising life expectancy level which has consequential impacts on national socio-economic development.

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