

THE NEXUS OF COMPENSATION-TIED APPRENTICESHIP AND EMPLOYMENT PROSPECTS IN NIGERIA

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JULY, 2009

ABSTRACT

Compensation-tied apprenticeship is a form of apprenticeships whereby young and averagely educated persons seek to understudy a successful businessman or woman in his/her business/vocation in order to learn the business skills and expertise, and then be settled at the end of the agreed period.

This paper examined the relationships between the compensation-tied apprenticeship practice and employment generation among the Ibo businessmen in Osun state with a view to determine a sustainable way of propagating a viable business which will invariably reduce the level of unemployment in the Nation. Primary data were extensively used for this study and Simple percentage Method with Analysis of Variance used to analysis the collected data.. Three businesses namely- electrical goods, mobile phone accessories and motor parts were randomly selected and the sampled businesses were examined base on capacity building and continuity of the apprentices in this method of apprenticeship. The findings of the study revealed that majority 92% of the apprentices that are trained under this method of compensation-tied apprenticeship continued in the business they learnt while only 24% of those that learnt under other forms of apprenticeships continued in the business. The p-value of (0.0001) as against P-value of 0.00062 showed

that compensation- tied apprenticeships is more reliable and viable in reducing unemployment rates in the study area. The study therefore concludes that compensation-tied type of apprenticeships would reduce unemployment palaver if given adequate attentions. In Nigeria.

INTRODUCTION

The economic success of any country depends largely on proper management and adequate investment in different business sectors-the small scale business, the medium scale business and the large scale business (Soludo, 2006). Out of these businesses, the Small and Medium scale Enterprises is the amiable point of joining the business world (Okunola, 1993). For any economy to grow, there must be a favourable and amiable atmosphere for new breed Entrepreneurs to enter and establish in various business sectors, to do this successfully is to understudy someone who is already established in such business and then study the mode of operation and determination of the needs and benefits of stake holders in that business. This is a provision whereby an apprentice seek to learn from an experienced and successful Entrepreneurs. This process is known as practice of apprenticeships (Akerele,2003]. Apprenticeships is a practice whereby one man or group of people own a craft or trade, accept other person(s) to understudy them for an agreed number of years in order to gain the required skills, knowledge and competence to practice the craft/trade. Okunnola (1993) described apprenticeships as a contractual relationship between two parties (the Master and the Apprentices) who are expected to fulfill certain obligations in order to satisfy needs and desires of individual and that of State at large.

Unemployment, is undoubtedly a prevalent problem in Nigeria economy, especially amongst the youths. It is a mark of underdevelopment, an indication to poverty in a country where the percentage of manufactures in total export of Nigeria is about 2% (Soludo, 2006). Income employment and youth empowerment programmes of the present democratic dispensation has not bring any discernable positive impact due to lack of assets and credit segregative network among the

youths, instead of the political- parochial minded individuals that are given the credit facilities favoritism. NISER report in 1993 showed that since 1980, economic indicators of Nigeria has fell considerably, the per capita income is quite low and as such wage employment in the formal sectors has declined. Thus, there is clear indication that the formal sectors labour market can no longer absorb our teeming unemployed youths. Also the Central Bank of Nigeria acknowledged the fallen standard and ineffectiveness of economic performances, and therefore formulated policies that could help various people embark on viable business of their own hence banks recapitalization in Entrepreneurships (Soludo,2006). In line with this also, the government of Federal Republic of Nigeria at all levels emphasis daily the need for their teeming youths and unemployed graduates to embrace self-employment, but to start a self- employed ventures in the SMEs, the individuals must have a strong drive and a reinforced altitude and orientation sufficient enough to acquire adequate technical skills, marketing skills and managerial knowledge plus financial prudence in businesses which only the practice of compensation-tied apprenticeships can adequately guaranteed

Compensation-tied apprenticeship-a practice which is predominant among the Ibo tribes business circles in the cities of all the States in Nigeria is a practice that encourages easy-start, self reliance and high productivity of the apprentice in the practice of SME's. The practice becomes laudable since the Modus operandi denotes that the Master and the apprentice if honestly fulfilled the underline terms of agreement will help the economy in reducing unemployment syndrome that is troubling the youths in our society. This paper therefore assessed the relationships between compensation-tied apprenticeships and employment creation among the Ibos in their business circle in Ilesa metropolis of Osun State in Nigeria. Advancement of the practice of compensation-tied apprenticeship scheme among other tribes in their business circles as an option of getting oneself established in small and medium scale businesses for survival and future prosperity of their youths. **THEORETICALFRAMEWORK**

Apprenticeship started as a contractual agreement to prepare the youths for labour in crafts and small scale businesses. Its emergence differs from country to country. During the eighteenth century, in Europe, many occupations began through the process of training a new-practitioner in their "art and mystery" through some form of apprenticeships. Most craft men like painters, carpenters, blacksmiths, farmer began as apprentice and the arrangement is usually been guided by European medieval guilds. In the North America, apprenticeship was a transformation of skill from one man to the other a practice which had been on since eighteenth century. Also in Germany, apprenticeships are part of the successful education system and as such form an integral part of many people's working life. The young people can learn one of 356 apprenticeship occupations in the country by dual system where the apprentice spends most of their time with a master craft man and the rest in formal education. Usually they work for three to four days a week with the Master and the rest one or two days at a Vocational School (Berufsschule system).

Bartel (1991) established that in Ancient Babylon, Egypt, Greece and Rome as well as modern Europe, used apprenticeship practice as a predetermined means of providing self - employment to their young ones. This is done through learning of crafts or trade from one who is engaged in it fully- a full time practitioner. Typically, in medieval Europe a master craftsman agreed to instruct a young man to provide him shelter, food, clothing and to care for him during illness. The apprentice would be bound to work for the master for a given time after which he becomes a journeyman, working for the master for wage or option of being assisted to set up the business as a master himself. In France, apprenticeship developed between the ninth and thirteenth century with guilds structured around apprentices. The practice continues until 1991 when the guilds were suppressed Okunola (2006).

According to Karen,(2004), tradition apprenticeship helped the economy of England to grow in 1970, by that time, training programs were rare and people who were apprentices learnt mainly by example. In

1986, National Vocation Qualification were introduced and by 1990 apprenticeships has taken up to two third of total employment in Britain. In France, the practice of apprenticeships continues until 1980 when the first law was passed that young people had to take 150 hours of theory and general lessons in crafts every year. Thus, minimum training time rose to 360 hours yearly in 1986. Apprenticeship in developed countries in most cases is viewed as not only training a person to acquire skills but as part of the larger process of socialization in which responsibility is transferred from the master to the young ones Liprot (2000).

Legal Basis of Apprenticeships

Craft/trade apprenticeships began as a practice of European medieval guilds in Europe in the sixteen century. The guild is a law which controlled prices and guaranteed the quality of product of apprenticeship schemes. Also, England's statute of Artificers made some guilds practices National law so as to ensure continuity of crafts apprenticeships. The statute also required all parents to apprentice their children to a craft or to agriculture if they did not have the resources to bind their children to a profession. The English Poor Law further bolstered craft apprenticeship by requiring local authorities to bind children of those parents that will not bind theirs. These laws also expanded the practice of indentured apprenticeship to agriculture partly as a response to the thousands of desperate commoners created by the elimination of traditional land rights, an early stage of capitalism. As a result, craft and agricultural apprenticeships were both common during the seventeenth and eighteenth centuries, thus the practice of apprenticeship survived in England but failed in the North America. The consequently craft apprenticeship indentures were widely used, but the laws governing them had to be enacted locally. Each colony had its own enforcement codes based on the English model. Craft apprenticeship was common in early American cities prior to industrialization, though less so in the South, where enslaved African Americans worked in the crafts more frequently Wilfred,(2004). **Premise on the**

above, there is original motive of becoming independent after going through series of learning from someone who is skilled and experienced. The practices have the basic peculiarity of solving employment problem in any Nation with people of poor background and the affluent. The poor law advocates the practice to be used in providing job for the children of the poor. The system became more effective especially as employment in heavy industry decline in England.

TYPOLGY OF APPRENTICESHIPS

Apprenticeship is a concept of the legal condition underlying the relationship subsisting between two or more persons, one called the apprentice who understudies the other called the master(s) or guardian(s) while carrying out his trade or vocation. And as postulated by Valenchik (1995). "*Apprenticeship is a form of skill acquisition in (lie context of production or on-the-job training*". From the foregoing it is deductible that apprenticeship is prima-face an option for the ownership of a business derived from the reciprocity of both explicit and implicit terms of an agreement between two or more persons. It is a training meant to inculcate into a person rudimental practices in a given field of learning, and possibly at the termination of the contract period, provides initial capital for the establishment of a partly or wholly owned business enterprise. Thus an apprenticeship relationship is a two faceted transaction. One is the provision of labour services by the apprentices to the guardian, the other being the provision of training services and initial business capital by the guardian to the apprentice. Coy (1989). As opined by Valenchik(1995), apprenticeship is widely considered to be training for self employment. This view is supported by Ottih (2000) who sees apprenticeship as "The incubator-mechanism of the establishment and ownership of sole entrepreneurship."

Who can be an Apprentice?

The question of who can be an apprentice can be answered by describing those that can be apprentices. Virtually, nobody is excluded from being an apprentice Individuals as well as corporate organizations, as often represented by their human capital, can be apprentices. Once two parties have agreed to a two way co-operation of providing training services in return for the rendering of labour services between themselves over a given number of years, then one of the parties in such a relationship is deemed to be an apprentice to the other. However, individuals found to be in apprenticeship arrangement in Nigeria are youths of between ages 14-25. Nevertheless, persons above this age bracket could still be found serving as apprentices. This results mostly due to late change in an individuals chosen career, moreover, such relationships are often laced with peculiar apprenticeship terms. Organizations may equally enroll their unskilled human resources to understudy another organization or an individual, depending on their peculiar needs. In return, the training organization charge apprenticeship fees for providing the requisite services or training. Corporate apprenticeship arrangement could be found in areas such as manpower training and development for top and middle level managers; training in computer and allied information technology (IT) and equipment operation and services. Individual apprenticeship could be found virtually in all fields of human endeavours.

Apprenticeship Schemes

As rightly noted by Valenchik (1995), discussions on apprenticeship have always been more incidentals to the main subject matter in modern researches in small scale businesses. Infact, she is of the opinion that attention is rarely focused on the institution of apprenticeship. This observation depicts the position of most writers in small business enterprises Sabot, (1990), Collier and Lal (1986), and Berry 1986). They have not given the concept of apprenticeship the deserved full investigation, but rather brief mentioning as a mechanism for the provision of training This position has

therefore made it difficult for the understanding of the existing types of apprenticeship schemes due to lack of comparative studies. Nevertheless, the following can be identified for apprenticeship schemes

Long Term Apprenticeship Scheme

This is a class of apprenticeship scheme in which the training period exceeds twelve calendar months. It could be between twenty four and eighty-four months. Within which period the apprentice is made to undergo the various aspects of the training required. Mostly under this scheme, the apprentice is charged with the operation of a semi-independent business on behalf of the guardians from about the thirty-sixty or forty-eight month of this apprenticeship.

Short Term Apprenticeship Scheme

This is the type of apprenticeship scheme that lasts mostly for a period of one year. This scheme is fee paying, non compensation tied and usually no salary is paid to the apprentice. The apprentices here mostly pay for their training and are expected to have a financial position better than that of the apprentices of the long term scheme. Their age, education and status are very higher compared with those in long term apprenticeships scheme.

Compensation-Tied Apprenticeship System

This is the type of apprenticeship system wherein the trainee/apprentice is not only trained to acquire the necessary skills and knowledge on a particular trade or art, he is also compensated and assisted to establish his or her own outfit by the trainer, that is, the guardian settles the apprentice at the completion of the period of apprenticeship. This is the most prevalent type of apprenticeship practice among sole entrepreneurs in Eastern states of Nigeria, especially those that engaged in merchandising and electrical goods. The relationship of apprentice and the Master is always cordial and there is virtually no binding law that specified the amount or quality of settlement among the

practitioners" Some even mistake the practice as servitude especially when we look at the length of time involved before the apprentice is settled.

Non Compensation-Tied Apprenticeship System

Just as the name implies, this system does not involve the payment of money or other items to the trainee by the trainer at the completion of the training period The apprentice here is admitted, trained and graduated at the exploration of the apprenticeship period. He/she is left to source for capital to commence the business all by him/her self probably with the assistance of friends or relations. This is widely the case in the fashion and design and saloon business a common practice among the westerners. The above apprenticeship systems are not practiced in total isolation of each other The economic conditions prevalent in any given environment, as well as the subsisting relationship between the trainee and the trainer often help in overlapping these systems. However, some writers like , Coy (1989), and Miller (1970) have aptly described some factors in the determination of the choice of an apprenticeship system to operate

Table 1 Unemployed persons by education level / age group and sex:

LEVEL	2002	2003	2004	2005
All Levels	100	100	100	100
No Schooling	14	16.6	11	14.9
Primary	21	16.1	18	15.8
Secondary	55.2	57.4	59.7	16.5
Post Secondary	9.7	9.9	11.9	16.5
AGE				
All (15-59)	100	100	100	100
15—24	56.9	49.6	53.8	52.8
25—44	34.2	35.9	35.5	41.1
45—59	4.2	5.3	3.9	2.7
60—64	4.7	9.2	6.8	3.4
SEX	100	100	100	100
Male	56.4	59.8	55.5	58.3
Female	43.6	40.2	44.5	58.3

Source; National Bureau of Statistics (2006)P.56.

TABLE 2 Compensation-tied apprentice and rate of continuity of apprentice in selected Ibo business circle in Ilesa metropolis Osun Nigeria (Jan. 2008 – Dec. 2009).

Type of business	Number of Apprentices	Percentage (%)
Mobile phone accessories	10	25
Electrical parts	15	37.5
Automobile parts	15	37.5
Total	40	100
Mode of joining	Number of Respondents	Percentage (%)
As an investor	00	00
As an Apprentice	30	75
As family business	10	25
Partners	00	00
Total	40	100
Business Type	Number of Apprentices	Percentage (%)
Continuing in Business	34	85
Not Continuing	06	15
Total	500	100

Source: Field Study,2009.

It is obvious that pre-settlement business-a form of settling method in compensation-tied apprenticeship will guaranteed the continuity of apprentice in the chosen business. Also about 75% of the present business men in Ilesa metropolis joined business through this method. It is therefore obvious that the business method will help to reduce unemployment in Nigeria economy

CONCLUSION

This paper discovered that in all sampled businesses from Ilesa metropolis of Osun State in Nigeria compensation-tied form of apprenticeships is predominant and that almost all the youths that trained in the selected businesses are found on their own business .and as such the issue of no employment is rarely found in compensation-tied apprenticeships.

On the other hand, generally, the compensation-tied apprenticeship programme will help to solve unemployment problem because the problem of skills, experience and initial capital will have been solved by the method to enable the successful apprentices to stay put in the business and there will not be any need to look for employment elsewhere.

Similarly the method which best enhance continuity is the pre-settlement business because of ready-made shops and the existing customers which serve as a ready market for the apprentice that are settled with that approach. The approach have advantage of stock and location, it also help in breeding new entrepreneurs. It is obvious and clearly stated that, new entrepreneurs will emerge with pre-settlement business and the case of leaving the business to start another one is minimized with this method.

It is therefore a necessary subject of contention to fashion-out the *modus operandi* of encouraging compensation-tied apprenticeship that will see to the success of the method and as such vicious circle of poverty will reduce in Nigeria economy. This method will serve as a compliment to programme like Poverty Alleviation Programme and Poverty Eradication Programme since unemployment case in Nigeria is a multi-dimensional in nature and as such need multi-disciplinary cure/solution.

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