

Factors of Labour Mobility in Nigerian Universities

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Abstract: *This paper examines determinants of labour mobility in Nigerian Universities. The expansion of Nigerian University System has led to rapid increase in enrolment with corresponding need for more academic staff which are not readily available. Following the shortage and increased demand for academic staff in universities, the major challenge for universities has been attracting and retaining academics. The study uses survey research design, adopts descriptive and statistical techniques to analysis the reasons why larger percentage of academic staff moved between universities in South-West Nigeria. The result shows main factors to be new pension scheme, expansion in University System and others.*

Key Words: *Labour mobility, Nigerian Universities, pension,*

I. Introduction

Background to the Study

In the former pension scheme, employees hardly migrate between jobs for fear of losing their social security, because, it depends on the number of years the employees have worked with the institution. These days, workers are moving with ease from one university to another in Nigeria. There has been an expansion in the Nigerian universities from 19 in 1980 to 104 by the end of 2009 due to the deregulation of the Nigerian university system. This has led to increase in enrolment and subsequent need for more academic staff which are not readily available within the system. Thus, the universities have to compete for the limited staff that are available within the system. Most universities are thus losing so many of their employees to other universities. This high rate of labour turnover has been a tremendous challenge to the Nigerian University system.

Labour mobility has been a serious challenge to organisations worldwide (Mboya, 2009: 4). The situation is the same with the Nigerian university system. The universities have found it difficult to attract and retain their academic staff due to acute shortage of this category of staff in the entire Nigerian University system. The low rate of output of the PhD holder from the Nigerian postgraduate schools has compounded the problem. Also, most universities look for experienced staff in their choice of selecting academic staff, which further encouraged, their mobility.

This paper, examines the factors in labour mobility in Nigerian university system (using South West as a case study), with specific reference to the effect of new pension scheme, and rapid increase in number of universities in Nigeria. It also investigates other factors influencing the recent movement of academic staff between universities in Nigeria. The paper covers only the academic staff in universities in South-West Nigeria because of the security threat in the country. It provides answers to such questions as: why does university staff leave the present institution for another? Of what importance is social security in the movement decisions? How is moving from one employment to another affected by pension? What impact is university expansion having on labour mobility within the university system? There have been studies on the factors in labour mobility, in the manufacturing sector in Nigeria (Oladeji & Adebayo, 2001), and banking industry in Tanzania (Mboya, 2009), but this study concentrates on labour mobility, in Nigerian Universities, with emphasis on academic staff. The study used a descriptive and statistical analyses of the data collected from 100 academic staff from universities in South-West Nigeria through a survey of academic staff.

The paper is in four sections. Section one is on introduction; section two explains the forms of labour mobility and conceptual framework, and section three presents the results and the analysis of the factors in labour mobility. Section four provides conclusion and recommendation.

II. Explanation of Basic Variables

Forms and Benefits of Labour Mobility:

Labour mobility has to do with the ease of migration of labour (here academic staff) between jobs or geographical locations. Thus, Labour mobility could simply be defined as the ability of workers to change jobs between different firms, different occupations, different locations or different countries (John, 2002:301). There are two main types of labour mobility which are Geographical and Occupational. Geographical mobility concerns movement of people between regions while Occupational mobility involves movement between jobs

(Jorgen & Regina, 2003:10) These two types could further be broken down into four based on the definition given above, which are Job change but no change in occupation or residence, Occupational change but no change in residence, Geographical move to a job but no change in the occupation, Geographical migration accompanied by a change in occupation (McConnell, Brue and Macpherson, 2010:264). This study concerns the first and the third type.

Constraint to Labour Mobility: The main obstacles and cost of Labour mobility include: wage differentials, gender, transportation expenses, forgone income during movement, psychic cost like negative effects of living family and friends, loss of seniority and pension benefits. If the expected earnings exceed the cost, the worker will move (McConnell et al, 2010:258). The other barriers to Labour mobility are those factors as ignorance of available jobs elsewhere, poor financial incentive for new entrants, fear of losing certain rights, and activities of trade unions. Where all these, are not available, then labour mobility will be remarkably easy. When workers are not aware of job elsewhere, they try as much as possible to stay or retain the current employment.

Other added factors or determinants of labour are: first, age: the older a person is the less likely he/she is to move because of the specific training acquired, cost of migration, and shorter years to recoup investment cost. Second is the family factors like spouse work, children's school etc. Third is the unemployment rate: that families headed by unemployed people are prone to mobility. Fourth is Education: all things being equal, the higher the educational attainment, the higher the likelihood to migrate. The last is the government policy (Michael, 2005:154).

The gains from labour mobility are: increased lifetime earnings at 10 -15% estimated rate of return, and economic efficiency. Efficiency exists when a nation achieves the greatest possible output or income from its available resources. Most times the gain could be negative due to uncertainty and imperfect information so that the expected gain for moving does not materialise as expected thereby resulting to economic inefficiency (McConnell et al, 2010:278).

The New Pension Scheme in Nigeria

Pension scheme is a system designed to provide employees of an organisation with a means of securing on retirement, a standard of living reasonably consistent with one enjoyed while in service (Mahmoud, 2007:15). It reflects a kind of contribution towards the old age. The pension scheme could be divided into two basic plans: Defined Contribution Plans (DC) and Defined Benefits Plans (DB). The DB plans usually stipulate the retirement benefit as a percentage of the last salary taken before retirement. DC plan is operational in the new pension scheme reform in Nigeria, taking the contribution rate as fixed, but the retirement benefit as a variable. Under DB plan, employees will always like to get to the highest pay possible for better retirement benefits.

The first pension law was the Pension Ordinance of 1951, while the most recent legislation of the federal government at reforming the pension system in Nigeria is the Pension Reform Act of 2004 (Mahmoud, 2007:16). There were about eight registered pension schemes in Nigeria before 2004, but largely, they were unfunded. Thus, the Pension Reform Act of 2004 is a direct consequence of failures of the existing pension schemes. The existing pension scheme before 2004 recognised payment of gratuity after 5 years of service and gratuity and pension after 10 years of service. As specified by the National Pension Commission (PENCOM,2005), the new pension scheme is contributory, fully funded and paid into an individual account (Retirement Savings Account (RSA)) with the third party as licensed custodian. It ensures payment of retirement benefits as at when due to everybody that has worked. The scheme covers all the workers in public and private sectors of the economy, and it is mandatory for all categories of employees and employers covered under Pension Reform Act (PENCOM, 2005:1).

The new pension scheme, being contributory, involves monthly contributions by both employer and employee. The amount to be contributed is 7.5% of employee's monthly emoluments deducted from his/her salary while the employer also provides the same amount to make a total of 15% (Basic Salary + Housing Allowance + Transport Allowance – (BHT) multiplied by 7.5%). However, the employer may make the whole contribution of 15% without any deduction from the employee's monthly emolument. The amount is paid into the employee's Retirement Savings Account (RSA) privately managed by Pension Fund Administrators (PFAs) chosen by the employee. The money supposed to be paid immediately to the PFAs as the National Pension Commission has encouraged those employees whose employers deducted their pension on their pay slip and failed to remit same to PFAs to report such immediately to the office (Ahmad, 2007:23).

The merits of the new pension scheme include, prompt and regular payment of benefits since there is a monthly payment of funds to individual RSA. Also, there is workers participation, and establishment of a central regulator (PenCom). Others are: private sector participation in the management of the scheme, uniformity in the retirement benefits, reduction of government spending, and the portability of the scheme. These merits have now made it easier to change job (Mahmoud, 2007:20)

The objectives of the new pension scheme are to ensure that everybody who worked either in public or private institutions receives his/her retirement benefits at the right time in order to cater for old age based on a uniform set of rules, regulations and standards for administration and payments of retirement benefits (Mahmoud, 2009:21). Movement from one employment to another does not affect pension under the new scheme. The pension act did not stipulate any retirement age.

Conceptual Framework

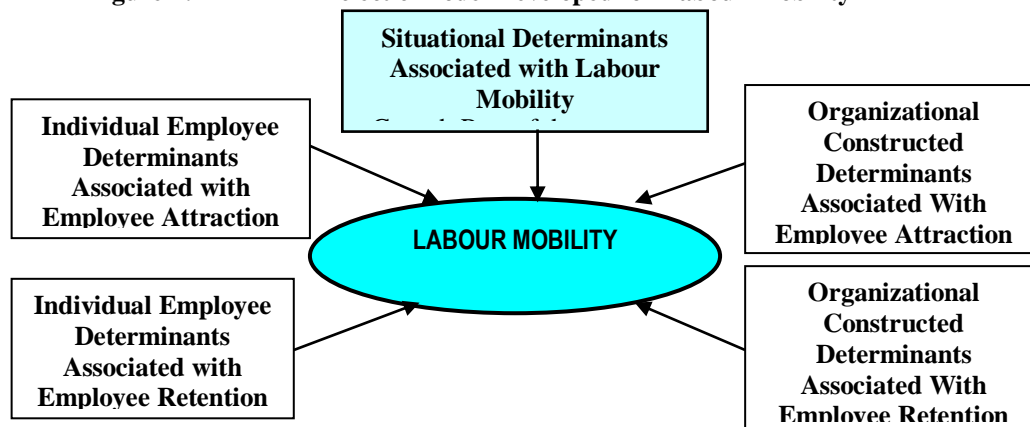
Attracting and retaining the best employees have long been noted by scholars in human resource management as fundamental to the effective functioning of any institution (Kleiman, 2001:9). As an important asset, careful selection, development and deployment of human resources lead to a competitive advantage thus, a model for the study of the determinants of labour mobility in the context of developing countries called Eclectic model was developed by Mboya (2009:14). The model could be used to determine the choice of the employers in any work organisation.

Labour mobility is a complex issue and therefore, called for the need to apply a wide range of theories as to what motivate employees to move from one employer to another. The Eclectic model was developed by Mboya from many theories, showing the employer-employee relationships as any other social relationships governed by cost-benefit analysis of those parties involved (Mboya, 2009:15). Individual employee has needs and aspirations/expectations which could engineer him to change his employer in order to achieve his needs. The decision to either remain with the current employer, or find another one depends on the extent to which the employee could achieve his needs. Motivation theories are thus extremely valuable and thereof included in the determinants of labour mobility. The model identified three categories of determinants of labour attraction and retention as individual employee, organisation and the critical external environment called situational determinants as presented below in figure 1. This model called Eclectic Model is adapted to university system, and then used in this research to examine the labour mobility in Nigerian university system.

II. Data and Methodology

The population for the study is academic staff of Universities in South-West Nigeria. Data for the study was collected through administration of 100 questionnaires on a total of 100 academic staff selected using purposive sampling (with only 98 returned). The instrument used for data collection is structured questionnaire based on the factors identified in Eclectic Model. The data analysis was done using beta coefficients obtained from Statistical Package for the Social Sciences (SPSS) result and descriptive statistics of percentages and tables.

Figure 1: An Eclectic Model Developed for Labour Mobility



Source: Mboya: 2009:14

III. Presentation of Result

Factors in Labour Mobility in Nigerian Universities

From the result in table 2, the major factors in academic staff mobility in Nigerian Universities are growth rate of the university system, ownership traits, new pension scheme, leadership/management style, culture, salary package, institution’s image, job autonomy and flexibility, utilisation of competencies, need for further studies and the need for career advancement. Based on the Eclectic Model adapted to Nigerian University System, these determinants of labour mobility in Nigerian Universities could be grouped into three: the individual employee factors; institutional constructed factors and environmental factors. The variables identified from the survey of lecturers in Nigerian Universities based on the model are as follows:

- **Institutional Constructed Determinants Associated With Employee Attraction and Retention:** Institutional constructed determinants involve the institutions’ management practices that attract employees to such institutions (attraction) or may make them to remain with the institution (retention), despite other institutions that are looking for staff. The variables are Institutional image, Management/Leadership style, Salary packages whether equitable or not, Standardized and Clear Criteria for its Determination, Job Content, Job Security, Scarcity of Skills within the system, and Job Autonomy and Flexibility which account for 38.5% of factors in labour mobility.
- **Individual Employee Determinants Associated with Employee Attraction and Retention** have to do with factors attracting academic staff to an institution (attraction) or factors making lecturers to remain with a particular university (retention) despite the availability of other employment opportunities in other universities. The variables accounted for 28.5% and include: Need/ Opportunities for Further Studies, Need for Career Advancement, Utilization of Competencies, and the new pension scheme.
- **Environmental or Situational determinants Associated with labour mobility** have to do with the environment under which the institution is operating and about 33.0% of mobility is due to this factor. The variables include growth rate of the university system, competition among universities, and institution’s image within the society, culture, ownership traits and scarcity of skills in the university system. In this group under this study, the environmental determinants variables are linked together, the expansion of the university system, leading to competition and the associated scarcity of skills in the university system and are thus, presented together in table 2.

The factors for labour mobility from the survey are presented in table 2. Other factors like: costs of moving, gender relations, Age, Marital Status and job tenure or Length of Stay with Employer which are factors of general labour mobility are of less importance to academic staff in Nigerian Universities. This is confirmed from section A of the survey as in table 1 where 58.2% (86.7% -28.5%) of the staff who have worked in two or three universities are above 40 years and about 72.4% (86.7% -14.3%) are married. However, majority of the people are males with only 15.3% females but in terms of education, majority of the mobile staff have Doctorate Degree (PhD) with only 20% having Masters Degree in their various areas of specialisation. The SPSS result in Table 3 shows the relative importance of the factors in labour mobility (the beta value measures how strongly each independent variable influences the labour mobility).The table indicates that the most important factors are: new pension scheme (Beta=0.399, t=1.147, P<0.05), ownership traits (Beta=0.385, t=1.498, P<0.05), competition among university (Beta=0.330, t=2.432, P<0.05), job security (Beta=0.297, t=1.622, P<0.05). Others and not significant with their P>0.05. This shows that the three groups of factors are relatively important in labour mobility with more factors from the environmental and individual employee determinants.

Table 1: Characteristics of the Participants in the Survey (Section A of Questionnaire)

Age	Frequency	Percent	Educational qualification		
20-30 years	7	7.1	MSc/MA/MEd	42	42.9
31-40 years	21	21.4	PhD	56	57.1
41-50 years	49	50.0	Total	98	100.0
51-61 years	21	21.4	Marital status		
Total	98	100	single	14	14.3
Sex			married	84	85.7
male	70	71.4	Total	98	100.0
female	28	28.6	How many universities have you worked in the past		
Total	98	100.0	one	13	13.3
Length of service			Two	42	42.8
1-10 years	70	71.4	three	43	43.9
11-20 years	28	28.6	Total	98	100.0
Total	98	100.0			

Source: Result from SPSS findings

Table 2: The result of Questionnaire Administered on 100 Academic staff

S/N	Determinants of Labour Mobility in Nigerian Universities	Categories of Determinants
1	Institutions image,	Institutional 38.5%
2	Salary packages: Equitable pay, Standardised Clear salary determination criteria	
3	Job autonomy and flexibility	
4	Job content	
5	Leadership /Management Style	
6	Scarcity of skills	

7	Job security	Individual Employee 28.5%
8	The new pension scheme	
9	Utilisation of competencies	
10	Need for further studies,	Environmental 33.0%
11	The need for career advancement,	
12	Growth rate of the university system or institution	
13	Competition among universities	
14	Culture	
15	Ownership Traits	

Source: Computed by the Authors from survey of Academic Staff

Table3: Relative Importance of the Independent Variables in Labour Mobility

Model	Beta Coefficients	t	Sig.
(Constant)		5.577	.000
job security	.297	1.622	.011
new pension scheme	.399	1.147	.026
utilization of competencies	-.188	-.811	.042
need for career advancement	-.086	-.405	.069
competition among university	-.330	-2.432	.002
culture	.099	.331	.074
ownership traits	-.385	-1.498	.014

Dependent Variable: How many universities have you worked in the past

Source: Result from SPSS findings

Effect of the University Expansion in Nigeria

A declining industry will attract few new entrants while an expanding industry will attract a larger proportion of new entrants. However, the increased new entrants needed in an expanding system like this does not exist due to low output of doctoral candidates from Nigerian Universities. Therefore, the existing universities have to share the limited number of academic staff in existence thereby leading to movement of academic staff from one institution to another. Apart from that, any new university will need Senior lecturers and professors which will not be new hands but lecturers from other universities. This has accounted for the highest response to this factor. As a result of the expansion, Nigerian University system experienced a wide increase in students' enrolment requiring more academic staff to take charge leading to competition for the limited existing academic staff. This leads to increased demand and thus, mobility of the academic staff in the university system.

Effect of New Pension Scheme

In the new pension scheme, the private and public sectors in Nigeria are being regulated under the same rules and regulations. So, whether a lecturer works with private or public sector it makes no difference on the pension right. The reform has removed the bottleneck associated with transfer of service from one institution to another especially, with regard to qualification for pension and the sharing formula for payment of pension between employers.

The new pension scheme ensures that money is contributed into each employee's Retirement Savings Account (RSA) so that there is money at retirement in the account to pay the retiree's pension. Movement from one employment to another does not affect pension under the new scheme. There is no qualifying period for pension, if an employee works for an employer for one month, his pension contribution will have to be paid by the employer into the employee's RSA for the month. If the employee moves on to work for another employer for another one year and it goes on and on like that. It is now easier to change job because what is required to be done regarding retirement benefit is for the employee to provide the new employer with details of his/her RSA. Since there is uniformity in retirement benefits of public and private workers as well as in different cadres of any institution, workers could move between universities. The labour legislation allowed for mobility of labour and that was why the National Pension Commission presented the labour mobility resulting from the new pension scheme as a merit under the literature review. Although this point comes third in the survey, this new pension scheme has taken care of the issue of job tenure or length of stay with the employer. By international standards, labour law and International Labour Organisation (ILO) conventions provide and protect workers' rights for free mobility (Employment & Labour relations Act, 2004:39). The labour mobility as revealed in Osun State University in Nigeria established in 2006 for example, shows that as some workers are moving in from other universities, some are moving out. Information from the survey is presented in Table 4 below.

Table 4: Inflows and Outflows Rate in Osun State University in Nigeria

Year	Number of Employees		Flow Rate in Percentage
	Inflows to the university	outflow s of the university	
2007/08	211	-	-
2008/09	506	04	0.8
2009/10	572	10	1.8
2010/11	612	08	1.3
2011/12	610 as@20/02/12	15	2.5

Source: Department of Personnel Management,

IV. Conclusion

The study examined factors affecting labour mobility in South-West Nigeria. Questionnaires were administered on the academic staff within the South Western region. The result from the SPSS indicates that the three groups of factors are relatively important in labour mobility. So, each university therefore need to look for means of retaining the limited staff within the institution. Also, from the perceived negative effect of such movement the situation needs to be corrected through increased output of Postgraduate schools of Nigerian Universities.

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