



Graduate's Perceptions of Employment in Micro-Small Businesses in Ghana

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ABSTRACT

The government of Ghana is seeking solutions to reduce the graduate unemployment rates and the growing graduates underutilization problem. It is also believed that more micro-small businesses should recruit graduates because the micro-small business constitutes 90% of businesses registered in Ghana according to the Register-General department. The purpose of this study is to assess unemployed graduates' perceptions towards employment opportunities within micro-small businesses. A questionnaire survey was chosen as the most appropriate design for this investigation, with a stratified sampling being used to select respondents. The data was analyzed using SPSS. The results indicated that there is no collaboration between micro-small businesses & the university, as well as the preference of graduates is to seek employment in large establishment. The findings can serve as a basis for policy makers to understand graduate perceptions on micro – small business.

Keywords: Graduate, Micro-Small Business, Perception and Employment, Unemployment.

JEL Codes: I20, I31, J62.

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1. Introduction

Globally, poverty, unemployment and lopsided development are the basic problems on developing countries. However, among them, unemployment is the most blazing problems for any country (Dev and Mahajan 2003). According to Kurokawa et al (2008), the private sector is said to be very essential for employment creation, growth and development of Africa. In many countries, public and private sector endeavor to solve the unemployment problem of their countries by giving job opportunities in their organizations. Unfortunately, the number of job opportunities in most developing economies like the Ghanaian private and public sector is not escalating to fulfill the demand of its labour force.

The micro-small business sector has been acknowledged as a vital sector in promoting equitable and sustainable economic growth in Africa and as such has the potential to provide growth in

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employment. In Ghana, poverty is increasing in the urban areas because of population growth rate of 3% which is above the rate of job creation (Nkum, 1998). It is acknowledged that extreme poverty is predominant in rural savannah as well as in the urban savannah in the coastal belt and that poverty in Ghana is primarily an agricultural phenomenon and largely in the informal sector (GPRS, 2003). Ghana have more than 40% of their population living in poverty due to unemployment and the government's strategy is to generate gainful employment based on creating an enabling environment to stimulate micro business sector activities (GPRS, 2003).

However, the Labor Department of the Ministry of Manpower and Employment in Ghana defines unemployment as someone who is unable to find a job after three months of consistent job-hunt. Since many job seekers concentrate their search within the informal economy (micro-small business sector), these unemployed often fail to register with the Labor Department. Consequently, actual unemployment figures in the country are difficult, if not impossible to ascertain.

Furthermore, the education dimension of unemployment in Ghana points to a higher rate among the educated than the uneducated. Reports on unemployment rates recorded in 1991/92 and 1998/99 indicate that people with tertiary education had the highest unemployment rate followed by secondary school leavers while those with no formal education had the lowest rate (Baah-Boateng, 2013).

However, in 2005/06, those with secondary education cohort took the lead in unemployment rate followed by tertiary graduates with non- educated people experiencing the lowest rate of unemployment. The reason for the low unemployment rate among the uneducated can be attributed to their inability to gain access to formal unemployment thus providing them with no option than to settle with jobs that do not require formal education such as peasant farming and other non – technical jobs (Baah-Boateng, 2013).

On the other hand, there are limited job vacancies for those with secondary and tertiary education. However, the informal sector, which could provide an avenue for employment for them, is also not attractive. This therefore explains the higher unemployment rates among these people.

Therefore, to address the unemployment issues, the government of Ghana introduced policies initiatives to achieve full employment by the promotion of self-employment and micro business development. Ghana government initiatives such as the setting up of Graduate Business Support Scheme (GBSS) and Venture Capital Trust Fund (VCTF) are some of the policies interventions that enable graduates to set up micro businesses. Other ongoing government of Ghana support programmes such as Youth Enterprise Support (YES), Micro finance and Loans Company (MASLOC), Youth Employment Authority (YEA) and the Rural Enterprises Project (REP) are all geared toward curbing the unemployment menace in the country.

It is also believed that more micro-small businesses should recruit graduates because the micro-small business constitutes 90% of businesses registered in Ghana according to the Registrar-General department report. The micro-small business sector is however, characterized by a small customer base, personalized management styles and low levels of education of the business owners (Stokes and Wilson, 2010).

It is widely recognized of the key roles that micro-small businesses play in employment creation, their overall importance to the economy and their role in innovation (Storey, 2016). Moreover, most new graduates do not perceive micro-small businesses as a natural source of job opportunity and they are of the view that micro-small businesses cannot offer them the appropriate salary. Research findings have indicated that, the higher education sector in Ghana is fast expanding and at the same time the traditional graduate job market is declining because of the downsizing of larger organizations and the public sector (Baah-Boateng, 2004). For instance, the former Vice Chancellor of the University of Ghana, Legon, Prof. Ernest Aryeetey in a public lecture, predicted a rise in graduate unemployment in the country and said 50 percent of university graduates will be jobless two years after their national service; whilst 20 percent will use the three-year period after national service looking for jobs. Accordingly, more than 20,000 students graduate from the various tertiary institutions in the country every year, and it is believed less than half of them get employed. (Aryeetey, 2011).

Researchers suggest that micro-small businesses with small investment and indigenous technology can be a potential instrument to solve the problems of developing countries like graduate

unemployment (Njoku, et al., 2014; Nkechi, et al., 2012). As a result, there is an urgent need to assess the perceptions of new graduates to employment opportunities in micro-small businesses.

Most of micro-businesses are very small, with 71.7 per cent having zero employees and 22.8 per cent less than five employees (DTI, 1998). Indeed, only a minority of micro-businesses appear to generate substantial employment growth (Storey, 2016). Nevertheless, for the people who own such firms, and those who are employed in micro-businesses, they provide an important source of income.

A report by the World Bank (2016) revealed that about 48 percent of the youth in Ghana are unemployed and this rate is increasing by the day. The report recommended that government must work towards equipping the youth with relevant skills through the educational system. According to the Labour Force Survey Report, posted on myjoyonline 2017, more than 12 million people in Ghana are unemployed (11.9%).

Boansi and Afrane (2011) in their study concluded that the employment problem of the youth is of a high magnitude in Ghana and the problem requires urgent attention of the government because it is very expensive to keep the youth unemployed. Further delays in responding effectively to this problem cannot be countenanced (Boansi and Afrane, 2011).

Therefore, the research objective is to investigate the perceptions of new graduates to employment opportunities in micro-small businesses.

2. Literature review

2.1 The concept of unemployment

Unemployment is a phenomenon of job seeking resulting out of joblessness. The International Conference of Labour Statisticians (ICLS) of the ILO considers a person of working age (e.g. 15 years and above in Ghana) to be unemployed if during a specified reference period (either a day or a week), that person had been:

- 'without work', not even for one hour in paid employment or self employment of the type covered by the international definition of employment;
- 'currently available for work', whether for paid employment or self employment;
- 'seeking work', by taking active steps in a specified recent period to seek paid employment or self employment.

In effect, a jobless person who is available for work but fails to make an effort to seek work is described as a 'discouraged worker' rather than unemployed. Additionally, a person who is working but engages in job seeking for obtaining additional income or diversifying his/her job portfolio among other reasons as a moonlighter (Baah-Boateng et al., 2013) cannot be described as unemployed.

Unemployment is also identified to be an urban phenomenon (see e.g. Dickens and Lang, 1995; Boateng, 1994). According to AfDB et al. (2012), in some countries in Africa, the urban youth unemployment rate is estimated to be more than six times higher than the rate in rural areas. Generally, residing in an urban area relative to rural localities increases the probability of being unemployed in Ghana (Sackey and Osei, 2006). Kingdom and Knight (2004) observed an increase in the probability of an urban dweller becoming unemployed by 8.6 percentage points in South Africa.

Another emerging concern about unemployment is the increasing unemployment rate among the educated than uneducated. Dickens and Lang (1995) found unemployment to be highest among the highly educated Sri Lankan youth (aged 15–24) and declining rapidly thereafter. In addition, AfDB et al. (2012) found unemployment to be high among educated than the uneducated particularly in middle income countries than low income countries. However, they contend that the educated unemployed are more likely to eventually escape unemployment than those with lower levels of qualification. Sackey and Osei (2006) also observed that basic and senior secondary levels of education are associated with relatively more unemployment in Ghana due to the relatively lower levels of such education compared to those with tertiary education.

2.2 Definitions and concepts of micro-small business

According to Storey (2010), there are wide ranges of definition of small business and these vary from country to country. To Abor and Adjasi (2007), the differentiation ranges from size, number of employees, annual turnover, and ownership of business and value of fixed assets. The definition of

small business is difficult and there is no consensus in the literature as to what constitutes a small business (Ibrahim and Goodwin 1986; Stanworth and Curran 1981).

The lack of a clear and agreed definition of a small business makes it difficult for an accurate assessment of failure within the small business sector, as the rate of small business collapse is dependent upon the definition of what is or is not a small business (Bates and Nucci, 1989).

In defining small-scale enterprises in Ghana, Steel and Webster (1991), and Osei et al (1993) used an employment cut-off point of 30 employees. Osei et al (1993), however, classified small-scale enterprises into three categories. These are: (i) micro - employing less than 6 people; (ii) very small - employing 6-9 people; (iii) small - between 10 and 29 employees.

Another definition is the one given by the Regional Project on Enterprise Development Ghana (rural enterprise project) manufacturing survey paper. The survey report classified firms into: (i) micro enterprise, less than 5 employees; (ii) small enterprise, 5 - 29 employees; (iii) medium enterprise, 30 - 99 employees; (iv) large enterprise, 100 and more employees (Teal, 2002).

This study adopts the definition given by the Rural enterprise project which states a micro business is a business of less than 5 employees and small business is a business of between 5 - 29 employees.

The term "micro-small business" has gained currency over the past ten years with these businesses generally defined as businesses employing less people (Stanworth and Gray, 1991; Storey, 2010; Johnson, 1999). They make an important contribution to the economy employing approximately 6.9 million people more than 30 per cent of all private sector employment (Devins, et al., 2005).

Micro-small businesses may embrace start-up enterprises, self-employed managers with one or two employees, owner managed businesses, team managed businesses, family businesses, ethnic businesses, hi-tech businesses and businesses with differing legal status. The conceptions are not necessarily mutually exclusive and can be used interchangeably but this can lead to a lack of clarity in policy discussion (Devins, et al., 2005).

However, whilst reliable macro level data is absent there is enough evidence to suggest that a large proportion of micro-small businesses are established businesses and have been so for several years. Micro businesses are complex social organisations and managers have a pivotal role in their culture (Haan, 2006).

2.3 The concept of graduates and micro-small businesses

According to Stewart and Knowles (2000b) graduates are less likely to be employed in micro-small businesses and such businesses may therefore represent an untapped opportunity for graduates. However, micro-small businesses may be inappropriate and employment in these types of organisation may lead to graduate under-employment. According to Martin and Chapman (2005), most of the graduates wished they had been better prepared for employment in micro-small businesses, with a specific micro-small business curriculum and work placements. Based on these prior findings, we offer the following hypotheses:

Hypothesis 1: Graduates are not aware of employment opportunities in micro-small businesses

The business owner and new graduate ignorance must not be perceived as the only factor to explain low rates of graduate employment in micro-small businesses (Holmes et al., 1998). Typically, graduates do not view micro-small businesses as providing prestigious, well-paid or desirable workplace opportunities.

In the view of Westhead et al. (2001), smaller employers are less likely to provide induction or job-related formal training, which many of the new graduates expect and need at this early stage in their personal development. Based on these findings, we offer the following hypotheses;

Hypothesis 2: Micro-small businesses do not pay low wages/salaries.

Westhead et al. (2001) stated that new graduates generally prefer large rather than smaller employers due to ignorance and market force reasons. Although previous research has indicated that graduates have not been attracted to micro businesses (Westhead, 1998), leading to reluctance to work in these businesses, Martin and Chapman (2005) showed that, whilst micro businesses may not be their first choice, but many graduates are now happy to secure employment within the sector. It is evident that there is a desire for employment regardless of sector.

Grubb III et al., (2007) cited Teo and Poon (1994) findings that most undergraduate accounting and business students do not view employment with a micro-small business as an attractive option after graduation. Recent business graduates often look for extrinsic rewards in their initial jobs and view larger organisation as a more attractive alternative because of better pay and fringe benefits (Moy and Lee, 2002). Based on these prior findings, we offer the following hypotheses:

Hypothesis 3: Graduates do not prefer working in larger organizations

Stress associated with the micro-small business sector has been quoted as a barrier to graduate employment (Storey, 2016., 1993; Westhead, 1998). However, Martin and Chapman (2005) suggest that stress is now much more related to specific organisations and to the individual, rather than to the sector as a whole. Indeed, Martin and Chapman (2005) suggest that life in large companies today can be more stressful than in micro-small businesses, in terms of nature of work, work overload, lack of challenge, time pressure, and intrusion into social and private life. Based on these prior findings, we offer the following hypotheses;

Hypothesis 4: Micro-small businesses are not too stressful

According to Martin and Chapman (2005), the main gaps in their knowledge of graduates when entering micro-small business employment as selling skills, web design, people skills, negotiation skills and a broader appreciation of how different parts of the business interact, which corresponds very closely to business owner's expectations.

A study by Ofori & Aryeetey (2011), found that Ghanaian micro-small businesses do recruit graduates for a wide range of jobs, thus from administrative type jobs such as secretaries and administrative staff, customer service, training and so on to more technical jobs such as: computing (IT), architecture, finance, accounting.

However, with regard to training, graduates agreed that their employers did not provide regular training, because the businesses could not afford a reduced staff complement (Martin & Chapman 2005). Based on these prior findings, we offer the following hypotheses;

Hypothesis 5: Micro-small businesses do employ graduates with employable skills

In terms of graduate employment, the culture gap between micro-small businesses and higher education institutions is yet to be significantly bridged despite the commitment and support of policy makers, micro-small business owners and university representatives (Holden & Jameson, 2002).

Various studies have attributed a lot of reasons by employers for not employing graduates because of a threat to other employees and a fear that once trained they will leave (Martin & Chapman 2005; Holden & Jameson 2002). According to these studies employers are of the view that graduates are very expensive, and many employers of micro-small businesses are doubtful of whether these graduates really meets their business operations needs.

A study by Martin & Chapman (2005) states that majority of employers do not know what a marketing degree contain and thought that degrees are only relevant to large organisations. In addition to the study of Martin & Chapman (2005), the typical syllabi or program of studies in universities do not prepare graduates for employment in micro-small businesses. Their studies further suggested a specialist micro-small business syllabus where practical work is seen as a key component of course content and assessment (Martin & Chapman 2005). Based on these findings, we offer the following hypotheses;

Hypothesis 6: Micro-small businesses have collaboration with universities

Holmes et al. (1998) contended that new graduates are equally suspicious about the potential benefits associated with employment opportunities in micro-small business. New graduates have no visible models of success and by gaining jobs in micro-small businesses they may exhibit an ignorance gap in relation to their personal development within small businesses (Westhead et al., 2001).

In a survey of 1033 micro-small businesses, Williams and Owen (1997) observed that majority of the sample perceived graduates as unlikely to stay in long term employment, lacked relevant work experience and wanted a salary that was far too high for their job role.

A later study by Martin & Chapman (2005), also found that graduates like working within the micro-small business sector because, of the culture of do everything, flexibility, work with the management team and be fully involved. In the same study, the least things they dislike working in micro-small businesses were long hours, the pay and lack of promotion. Based on these findings, we offer the following hypotheses;

Hypothesis 7: Micro-small businesses do guarantee job security to graduates

3. Conceptual framework

Drawing upon the review of the literature the following motivators / demotivators were considered

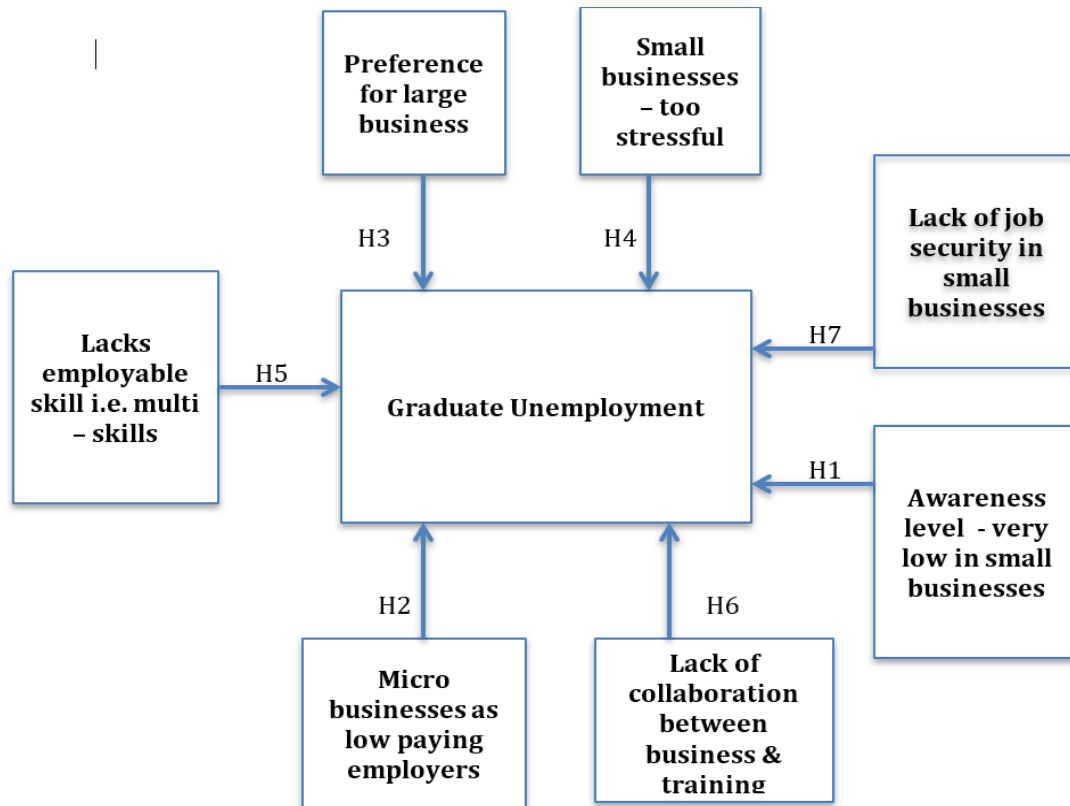


Figure 1: Conceptual framework

4. Methodology

A quantitative approach was used to assess the Perception of new graduates to job opportunities in micro-small businesses in Ghana. During the study, a survey was carried out on 280 graduates who completed their education between 2010 and 2017 from Sunyani Technical University. A stratified sample technique, using the years of graduation as the strata, was employed to select 40 students from each stratum, constituting a sample frame of 280 prospective participants. Email addresses and telephone numbers of prospective participants were obtained from Sunyani Technical University register of past students.

Data were collected from the participants using a self-developed questionnaire. The design of the self-developed instrument became very necessary because the researchers were not able to locate any existing measures that tap the construct intended to be measured by the team of researchers (Rudestam & Newton, 2007). Therefore, the researchers questions regarding the employment factors were anchored at 1.5 (strongly disagree), 2.4 (disagree), 3.3 (neutral), 4.2 (agree), and 5.1 (strongly agree), using the five-point Likert scale rating. The Likert scale “is based upon the assumption that each statement/item on the scale has equal ‘attitudinal value’, ‘importance’, or ‘weight’ in terms of reflecting an attitude towards the issue in question” (Kumar, 1996). Sixteen statements were used to assess respondents’ attitudes to employment within micro-small businesses. a criterion is deemed significant if it has a mean score of 3.3 or more. Where two or more criteria have the same mean score, the one with the lowest standard deviation is assigned the highest significance ranking. Standard deviation values of less than 1.0 indicate consistency in agreement among the respondents of the reported level of results. Also, frequency counts were used to test the entire hypothesis, and all were used to assess the factors.

After obtaining all the information, the responses were tabulated using the Statistical Package for Social Sciences (SPSS) software mainly to obtain averages. Mean scores of students’ level of

awareness in micro-small businesses, their preference to work in larger businesses than smaller ones, the lack of Job security in micro-small businesses, the relationship between the training institutions and micro-small businesses were derived. From here, important implications can be drawn so that changes and improvements can be made so that graduates will consider micro-small businesses as an alternative source of employment.

Descriptive statistics were used to highlight the central tendency and variability within the sample. To test the goodness-of-fit, Kolmogorov–Smirnov (KS) test was used to measure the disparity between the empirical data and hypothesis distribution. According to T.W Sager “like all goodness-of-fit tests, the KS test is based on a measure of disparity between the empirical data and the hypothesized distribution. If the disparity exceeds a critical cutoff value, the hypothesized distribution is rejected. Each goodness-of-fit test uses a different measure of disparity. The KS test uses the maximum distance between the empirical distribution function of the data and the hypothesized distribution” edited by (Salkind, 2010). The findings were used to test hypotheses and draw conclusions.

5. Findings and discussions

The response rate for the survey was high. Two hundred and sixty (260) representing 93% questionnaires were returned out of two hundred and eighty (280) through their emails.

Table 1: Descriptive statistics of respondents

Perceived factors	N	Mean	Std. deviation
Low paying employers	260	3.561	1.3954
Employable skills	260	3.537	1.3347
Awareness of employment opportunities	260	3.326	1.4341
Job security	260	3.253	1.4068
Prefer large organizations	260	3.228	1.3579
Too stressful	260	3.220	1.1895
Lack of collaboration between university and businesses	260	2.799	1.3347

Source: Field survey (May 2018)

It was observed that almost all the means were the same and the highest mean was 3.6 representing low paying employers whereas the lowest mean was 2.8 representing employable skills.

Table 1 shows that the mean scores of three (3) perceived factors (low wages/low salaries, employable skills & awareness of employment opportunities) are greater than the neutral value of 3.3. Whereas the remaining perceived factors (job security, preference for large organisations, too stressful, & lack of collaboration between university and businesses) are below the neutral value of 3.3.

From table 1, respondents rated low wages/low salaries as the first perceived factor with a mean score of 3.561 which is above the neutral value of 3.3. However, in the same table 1, the standard deviation of low wages/low salaries values is more than 1.0 (1.3954) which is inconsistent with the respondents views of the study as the null hypothesis is rejected as indicated in table 2. The assertion of this finding confirms Westhead et al., (2001) study that micro-small businesses are less likely to provide prestigious or well-paid wages/salaries.

The second rated perceived factor in table 1 was employable skills with a mean score of 3.537 which is above the neutral value of 3.3 and above the 1.0 significance value (1.3347). This indicates inconsistency in the agreement of respondents' views and the hypothesis is rejected as stated in table 2 of the study. This study affirms Martin & Chapman (2005) suggestion that micro-small businesses employ graduates with employable skills as employers do not offer training to new graduates (Westhead et al., 2001).

The next perceived factor in table 1 is the awareness of employment opportunities in micro-small businesses with a mean score of 3.326 which is above the neutral value of 3.3. Meanwhile, the standard deviation value of this perceived factor in table 1 is 1.4341 which is above the criterion value of 1.0 but is inconsistent with respondents' agreement of the factor in relation to the mean score of 3.326. Nevertheless, the null hypothesis of this factor in the study is rejected, which implies respondents are aware of the numerous employment opportunities within micro-small businesses. This study confirms

with Martin & Chapman (2005) who stated that graduates wished they had prepared for employment in micro-small businesses.

The fourth rated perceived factor in table 1 is job security with a mean score of 3.253 which is below the neutral value of 3.3, with a standard deviation value of 1.4341 and it is above the significant value of 1.0. This therefore indicates consistency in agreement with respondents' view of the perceived factor in the study. The study hypothesized that micro-small businesses do guarantee job security to graduates and from table 2 below, this hypothesis was rejected, which indicates that respondents view lack of job security as a limiting factor for seeking employment. This study confirms Holden and Jameson (2002) study which states that the least factor among graduates is the lack of promotion within micro-small businesses.

The fifth rated perceived factor in table 1 of the study is the preference for large organisation which had a mean score of 3.228 and is below the neutral value of 3.3, with a standard deviation value of 1.3579 and is it above the significant value of 1.0. This therefore indicates consistency in agreement with respondents' view of the perceived factor in the study. The null hypotheses of graduates do not prefer working in larger organisations is however rejected as it implies that respondents prefer working in large corporations instead of micro-small businesses. This study confirms (Westhead et al., 2001; Grubb III et al., 2007) suggestion that graduates prefer large organisations because these organisations are more attractive in terms of better rewards.

The next rated perceived factor in table 1 of this study is too stressful with a mean value of 3.220 which is above the neutral value of 3.3, with a standard deviation value of 1.1895 and is it above the significant value of 1.0. This indicates consistency in agreement with respondents' perception of the factor in the study. The study revealed that the null hypothesis of micro-small businesses is not too stressful is rejected as stated in table 2, on the basis that the respondents perceive the micro-small businesses as very stressful. Therefore, the study affirms Storey (2016); Martin & Chapman (2005) studies that, stress is frequently quoted as a barrier to graduate employment.

Table 2: Kolmogorov-Smirnov test

Hypothesis tested	Test	Significance
Not high paying employers	K-S test	.000
No Employable skills	K-S test	.000
No Awareness of employment opportunities	K-S test	.000
Job security	K-S test	.000
Prefer large organizations	K-S test	.000
Too stressful	K-S test	.000
Collaboration between university and businesses	K-S test	.000

Source: Field survey (May 2018)

Finally, the least perceived factor in table 1 of the study is collaboration between university & businesses which have a mean score of 2.799 and below the neutral value of 3.3, with a standard deviation value of 1.3347 above the significant value of 1.0. This indicates consistency in agreement with respondents' perception of the factor in the study, where there is a lack of collaboration among the various stakeholders. Furthermore, this study hypothesized that there is collaboration between micro-small businesses & universities and using the K-S test, the hypothesis is rejected as stated in table 2. This finding means there is currently no collaboration between micro-small businesses & universities from the area of study. This study confirms Martin & Chapman (2005) studies which states that the concerns of micro-small business employers are general skills mismatch and a belief that university education is geared towards large organisations.

6. Summary of key findings

The study indicated that micro-small businesses pay their graduates very low salaries/wages. This seems to reflect the findings of Westhead et al (2001) and Ofori & Aryeetey (2011) that micro-small businesses are less likely to provide prestigious salaries/wages to graduates and most graduates are not attracted to such businesses as they are not satisfied with their remuneration.

The study findings also indicated that employable skills do play an important role in the potential employability of graduates. This finding is in conformity with Martin & Chapman (2005), Puplampu (2005) and Westhead et al (2001) studies that micro-small businesses employ graduates with employable skills as they do not offer training to new graduates.

In addition, the research found out that graduates prefer working in large organisations as they provide attractive fringe benefits to their employees. This finding is consistent with Grubb III et al (2007) who stated that graduates prefer large organisations as they provide better reward packages than the micro-small businesses.

Also, the research findings indicated that, there is no job security in micro-small businesses from the graduates point of view. This finding reflects the results of studies by Holden & Jameson (2002) and Ofori & Aryeetey (2011) who found out that micro-small businesses do not offer attractive job packages and visible career paths that will make their jobs more secure.

Furthermore, the study found out that there is no collaboration between the university & micro-small businesses. This confirms Martin & Chapman (2005) studies that there exists a general skills mismatch as the graduates from the universities do not have the requisite practical skills needed by the micro-small businesses.

Finally, the findings revealed that there was a high level of awareness on micro business job prospects, but most participants regard it as too stressful. The study also established that, there is a low level of graduate employment in micro-small businesses and need to be supported to grow as the unemployed graduate are reluctant to work in a business that is likely to collapse within five years of start up.

7. Research limitations and Future Research

Although the study is subject to some limitations, such as the graduate's perceptions on employment within micro-small businesses examined were limited to those covered in the dataset, it is believed that some of these limitations can be overcome with further studies. We suggest that this study be replicated at other universities to allow for comparison of findings from different parts of the world and a further research should explore the personality of graduates and their employment choice of the size of the organization.

8. Contribution to knowledge and Practice

This paper adds to the current literature on new graduate's employment in micro-small businesses by examining their perceptions and how it can reduce unemployment for the economy to grow.

The findings will assist policies makers, advisers, owners and management in designing policies or programs within micro-small businesses that will make them attractive to new graduates as their choice for employment.

9. Recommendation/ further directions

There can be no easy resolution to the low-level graduate employment within the micro-small business sector. It is a complex issue and requires the efforts of several stakeholders if real progress is to be made. What is clear in this study is that micro-small businesses are not attractive to graduates but could provide solution to reduce graduate unemployment if the recommendations below are implemented.

- Potential graduates need to understand the philosophy, culture and environment of micro-small businesses which requires a broader skills base and practical experience. Therefore, the university should partner with micro-small businesses to ensure that a better skill is achieved. The programme should include both work-based and non-work-based learning. The non-work-based learning should include more simulations, role-play and micro business case studies whilst work-based learning should comprise of placement, company visits and part time employment.

- Policy makers - The government should create an enabling environment where micro-small businesses can development and generate sustainable wealth for all its stakeholders. It can do so by giving tax incentives such as tax holidays or tax exemptions on selected products/services to micro-

small businesses that regularly employ graduates. This will encourage employers to maintain graduates to grow the business with skills acquired from university.

- Students – graduates must take total responsibility for their own development. A lot of graduates complete university believing that their qualification will guarantee them a graduate –level employment and this is no longer the case. Students should actively seek part-time employment opportunities in business sectors in which they have an interest. They should seek to create an attractive skills profile as it will ensure the necessary experiences are acquired to be employable.

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APPENDIX: 1

Questionnaire

We humbly request you to fill the questionnaire below by ticking the most suitable option. Please be informed that all information obtained through this questionnaire is to expand the frontier of knowledge and will be kept confidential.

Please indicate your opinion regarding the following statements (1.5= Strongly Disagree 2.4= Disagree 3.3= Neutral 4.2= Agree 5.1= Strongly Agree)

Statements/Reasons	1.5	2.4	3.3	4.2	5.1
Level of awareness in small-businesses					
▪ I am aware of employment opportunities in micro-small businesses					
▪ I am aware micro-small business are less likely to provide job-related training					
▪ I am aware that most micro-small businesses fail within five years of star-up					
I prefer to work in larger businesses than smaller ones					

▪ I do not see any visible models of success in micro-small businesses.					
▪ Large proportion of micro-small businesses are family businesses					
▪ It is difficult to secure progression to key management positions in micro-small businesses					
▪ Micro-Small businesses are too stressful to work in					
Lack of Job security in micro-small businesses					
▪ I view micro-small businesses as low paying employers					
▪ Micro -small businesses do not have desirable work place opportunities					
▪ I view micro-small businesses as not secure for long-term employment					
▪ Lack of safety and health condition					
Relationship between training institutions and micro-small businesses					
▪ There is lack of collaboration between micro-small businesses and training institutions					
▪ The skills taught at the university were irrelevant when doing my attachment in a micro-small business					
▪ Large businesses have strong links with training institutions than with micro-small businesses					
Lack of Employable Skills (Multi-skills)					
▪ I lack employable skills required by micro-small businesses such as selling skills, technological skills, catering skills etc.					