The Challenge of Graduate Unemployment: A Case of University Graduates in the City of Mutare- Zimbabwe

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ABSTRACT
The challenge of university graduates failing to get employment is a huge problem in Zimbabwe. It is unclear why the rapidly growing informal sector, with a potential to absorb university graduates is failing to utilise high level skills from university graduates to enhance growth and competitiveness. This exploratory case study used snowball sampling to identify 42 university graduates in the city of Mutare. Unstructured interviews and observations were used to generate data on challenges that prevented graduates from breaking through into entrepreneurship. The study found out that unemployed graduates’ participation in entrepreneurship was constrained by their degree orientations and experiences while growth of graduates already in entrepreneurship was constrained by various socio-economic factors.

Keywords: University graduate, Entrepreneurship

INTRODUCTION
The challenge of university graduates failing to get employment has become a huge problem in Zimbabwe (Masekesa and Chibaya 2014; Moyo 2016). Kuwaza (2016) reports that 2000 university graduates in Bulawayo and Harare resorted to street vending demanding indictment at the government’s failure to create employment. A survey by Vendors Initiative for Social and Economic Transformation in the Independent of 3 June 2016 also reports that of the graduates who were doing vending, 15% had post graduate qualifications while 75% of them had never been employed. Statistics from the Zimbabwe Ministry of Higher and Tertiary Education, Science and Education (2014) indicate that approximately 30 000 students graduate annually from the country’s institutions of higher learning against the backdrop of high unemployment rate now estimated at above 90% although official rate is pegged at 10.8% (Chinjekure (2013).

It is unclear, why the rapidly growing informal sector in Zimbabwe, with potential to absorb university graduates cannot utilise the high level skills generated each year from the country’s universities to enhance growth and global competitiveness (Takuta 2012; Zinhumwe2012).

According to the government of Zimbabwe’s 2015 Economic Budget, Small and Medium Enterprises in Zimbabwe employ more than 60% of the country’s labour force. However, most of the SMEs are facing viability challenges attributed mainly to cutting edge entrepreneurial skills deficiency (Zimbabwe Ministry of Finance 2015). These underlying gaps point towards the need for university graduates to pursue employment opportunities in the informal sector.

The government of Zimbabwe has, at policy level, made great strides in creating opportunities for youth empowerment. For example, a noticeable increase in the number of small scale traders and small businesses, majority of which are at start up phases reflect Government of Zimbabwe’s commitment to promote entrepreneurship through policies of indigenisation, youth empowerment, agrarian reform, micro
financing and small scale mining (Government of Zimbabwe 2013). While these programmes demonstrate government’s quest to tackle the youth unemployment challenge, there are no noticeable entrepreneurship programmes generated specifically for university graduates to contribute to SMEs development (Zimbabwe Ministry of Labour and Social Welfare 2012; Kuwaza 2016).

Mutare, the third largest city in Zimbabwe has three universities and satellite centers mushrooming from almost all universities in the country. This comes against the backdrop of the declining, once vibrant timber and tourism industry. Many university graduates are looking for employment, doing vending or employed in jobs not directly related to degrees offered in universities. This scenario depicts a void in utilisation of university graduates as a critical mass of requisite entrepreneurial skills for knowledge transfer to transform Mutare Small and Medium Enterprises (SMEs).

In the Central Business District (CBD) of Mutare, entrepreneurship culture manifests through numerous small scale traders, small scale retail outlets, open space markets and artisanal activities. However, competitiveness deficiency reflected in these entrepreneurial activities portray deficiency venture creation, knowledge transfer and innovation from university graduates in the city. This study therefore sought to investigate challenges that hindered university graduates from venturing into entrepreneurship activities and developing them.

**REVIEW OF RELATED LITERATURE**

There is no consensus on precisely what an entrepreneur is although there are many definitions, majority of them accepting that an entrepreneur as an individual who envisions and creates ventures that have not been created before. For example McMullen and Shepherd (2006) view an entrepreneur as an action oriented individual with passion for transforming visions into businesses. Similarly Knight (2008) see an entrepreneur as an innovative, risk-taking and persistent individual capable of identifying community needs and creating solutions to the needs. These perceptions seem to accept the view that a university graduate is a potential entrepreneur endowed with requisite entrepreneurial knowledge, skills and attributes.

However, climbing down to a common understanding of how university graduates can actually become entrepreneurs may need further analysis. For instance, from a classical and neo classical perspective the entrepreneur graduate can be a manager of a firm, a catalyst of economic transformation and an agent of production systems (Acs and Audretsch (2013). However this perspective only describes the graduate’s requisite entrepreneur characteristics and fails to explain how the graduate can venture into entrepreneurship. From the psychological perspective, the university graduate is judged by characteristics that make up a successful entrepreneur (Auni and Surlemont 2013). However, this approach is weak in that not all university graduates can have characteristics that fit into prescribed entrepreneurship traits. This approach is therefore less effective in identifying and developing potential graduate for entrepreneurship. Alternatively from the sociological perspective, the university graduate can become an entrepreneur by graduating from an entrepreneurial social context (Clarysse 2014). This also aligns to the anthropological perception of an entrepreneur graduate as a product of ethnic and cultural dynamics (Clarysse 2014). However, this notion is limited to restricting the graduate entrepreneur to a product of social dynamics.

However, it is widely accepted that graduates who become entrepreneurs are influenced by the extent of opportunities and resources availed to them. From this outlook a university graduate is expected to search for change, respond and exploit it (Obschonka, Silbereisen, and Schmitt-Rodermund (2010)). When analysed from this standpoint, a university graduate only becomes an entrepreneur when endowed with resources and empowered with skills to detect and act upon discovered opportunities. While this perspective accept that university students can be empowered with knowledge, skills and attributes to become entrepreneurs it does not explain how university graduates can overcome challenges like access to needed resources for startup.

At this juncture, it is important to examine the process of entrepreneurship in the light of how university graduates can venture into it. It is widely accepted that the process of entrepreneurship comprise of activities undertaken by university graduates to bring together various resources and ideas to process
commercially acceptable products and services (Arroyo-Vazquez and Van der Sijde 2013; Khuong and Ngiyen 2016). As pointed further by Acs and Audretsch (2013), entrepreneurship becomes a process where university graduates turn knowledge and skills acquired during studies into business ventures. However, this research sought to find out why unemployed university graduates Zimbabwe fail to venture and succeed in entrepreneurship.

The gaps articulated so far may require a review of empirical research findings that attempt to provide explanations. For example studies that use traits as predictors for entrepreneurship have proved that there is a link between personality factors and entrepreneurship activities (McMullen and Shepherd 2006). Examples of predictors are ability to take risks, make decisions, and tolerate ambiguity and desire for achievement (Obschonka, Silbereisen and Schmitt-Rodermund 2010). While this line of thinking may justify that graduates who lack entrepreneurship predictors cannot become entrepreneurs it falls short in explaining how these entrepreneurship predictors can manifest in university graduates. This thinking also suggests that absence of predictors in graduates automatically excludes them from embarking into entrepreneurship. It was in the light of these findings that this study sought to find out what could be hindering graduates in Zimbabwe from becoming successful entrepreneurs.

Some studies have shown that experiences that individuals experience prior to their contact with entrepreneurship opportunities affect their intentions to embark into entrepreneurship. For instance, a study by Khuong and Nguyen (2016) show that prior contact to entrepreneurship experiences has an impact on attitudes towards intention to choose it as a profession. These findings imply that lack of exposure of university graduates to experiences that prepare them for entrepreneurship reduces their chances of choosing entrepreneurship as a career choice. These findings also suggest that universities act as impediments to entrepreneurship development if they prepare students for employability at the expense of entrepreneurship.

Some studies show that underlying impediments to entrepreneurship emanate from socio-economic contexts in which graduates live and work in after graduation. For example, some studies show that social and cultural circumstances affect breeding of entrepreneurial events that in turn influence graduates’ value systems (Remeikiene and Startiene 2013). For example, a social system that gives prudence to innovation and risk taking generates more graduates into entrepreneurship. A study by Arroyo-Vazquez and Van der Sijde, (2013) found out that entrepreneurship requires a socio economic culture that motivates and empowers university graduates to turn ideas into action and create ventures. Socio economic environments that alienates university graduates from activities of setting up businesses, trying new business ideas and taking calculated risks cannot develop SMEs. Some socio-economic environments act as impediments to doing business through restrictive laws and regulations deficient from supporting university graduates into startups (Remeikiene and Startiene (2013). For example, some environments have regulatory hurdles in accessing seed capital and information to guide graduates into venture creation (Obschonka, Silbereisen, and Schmitt-Rodermund (2010). It was in the light these findings that this research sought to explore challenges that were preventing university graduates from venturing into entrepreneurship activities in the city of Mutare.

RESEARCH METHODOLOGY
Research question
What challenges are preventing university graduates from venturing into entrepreneurship activities in the city of Mutare?

Research questions
1. What are graduates’ attitudes towards entrepreneurship?
2. How do graduates’ qualifications and experiences influence their entrepreneurial intentions?
3. What socio economic factors are affecting graduates’ participation in entrepreneurship activities?

The case study method
The study was an exploratory case study aimed at facilitating a better understanding of the graduate unemployment challenge. The case study method was adopted because it allowed exploration and
understanding of the varied experiences faced by the graduates. The case study also allowed the researcher to immensely involve in the graduates’ activities and to do a holistic investigation using multiple sources of data.

**Population**
All university graduates residing in the city of Mutare who were either unemployed, self-employed or doing post graduate studies.

**Sample**
The sample was made up of 42 university graduates. This comprised of twelve university graduates unemployed and not doing anything to generate personal income, eight graduates unemployed and doing post graduate studies, ten graduates unemployed and doing vending activities, six graduates employed but in fields not related to their degree programmes and six graduates pursuing entrepreneurship ventures.

**Sampling techniques**
Snowball sampling was used to identify graduates. This was the most ideal sampling technique because the graduates were difficult to locate (Leedy 2005). Snowballing enabled the researcher to generate data from graduates by asking the located graduates information needed to locate other graduates. For instance, provision of mobile numbers made location of other graduates faster. While the sample was not representative, snowballing was the most ideal since there researcher had no list of unemployed graduates to start with (Creswell 2002).

**Instruments**

**Unstructured Interviews**
Unstructured interviews were used to generate data from all categories of graduates. This form of interview used open ended questions that allowed graduates to express their opinions freely (Leedy 2005). Unstructured interviews also allowed the researcher to probe for more in-depth data to elaborate issues. It was however difficult to standardize the interview across all graduates due to their varied contexts. However, unstructured interviews enabled the researcher to vary questions to suit different contexts (Creswell 2002).

**Observation**
The researcher was a participant observer observing how each graduate engaged in their activities. The researcher repeatedly visited each graduate to observe and verify activities done with what was said. After the first few visits, the graduates began to see the researcher as a colleague.

**Data analysis techniques**
While bio data was presented quantitatively, data analysis was largely qualitative and involved breaking the data into manageable units, coding, and synthesizing emerging themes from each category of graduates.

**Ethical considerations**
The research was anchored by some ethical issues. The researcher informed each graduate of the purpose of the study, scope and intended data generation methods. The researcher also guaranteed graduates that they would not be harmed as a result of participating in the research. The researcher also ensured graduates that their confidentiality and anonymity was secured through removal of elements of identity during the course of the study. Participation was also voluntary with no forcing to participate (Creswell 2002).
RESULTS

Table 1: Distribution of graduates by gender and degree type (n=42)

<table>
<thead>
<tr>
<th>Degree type</th>
<th>m</th>
<th>f</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Humanities</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Tourism and Hospitality</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Commerce</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>ICT</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Development studies</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Applied Social Sciences</td>
<td>3</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Engineering</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Supply chain Management</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>24</td>
<td>42</td>
</tr>
</tbody>
</table>

Table 1 shows a sample that was almost evenly gender balanced with a slight bias towards female graduates. This reflects the magnitude of the quantity of female university graduates. The sample also shows diversity of educational backgrounds with majority of the graduates coming from commerce disciplines followed by Arts and Social Sciences. From this distribution, the extent of unemployment status under each degree type could be attributed to lack of entrepreneurial skills and attributes among the graduates. Assuming that graduates were unemployed, it can be concluded that their degree orientations failed to move graduates form unemployment status to entrepreneurship.

Table 2: Distribution of graduates by employment status and period after graduation. (n=42)

<table>
<thead>
<tr>
<th>Graduate category</th>
<th>f</th>
<th>%</th>
<th>Average period after graduation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduates unemployed and not doing anything to generate personal income</td>
<td>12</td>
<td>29%</td>
<td>4 years</td>
</tr>
<tr>
<td>Graduates unemployed and doing post graduate studies</td>
<td>8</td>
<td>19%</td>
<td>3 years</td>
</tr>
<tr>
<td>Graduates unemployed and doing vending activities</td>
<td>10</td>
<td>24%</td>
<td>2 years</td>
</tr>
<tr>
<td>Graduates employed but in fields not related to their degree programmes</td>
<td>6</td>
<td>14%</td>
<td>4 years</td>
</tr>
<tr>
<td>Graduates pursuing entrepreneurship ventures</td>
<td>6</td>
<td>14%</td>
<td>5 years</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Table 2 shows that majority of graduates (29%) were unemployed and not doing anything to generate personal income. This majority was followed by graduates who were unemployed and doing vending activities (24%). In the main the sample had majority of graduates (72%) not employed with only (14%) doing entrepreneurial activities. Data also show an average of 4 year period after graduation reflecting a fairly long time for the graduates to have found employment.

Graduates’ intentions to venture into entrepreneurship

Results show that graduates who were unemployed and not doing anything, unemployed and doing post graduate studies and those doing vending activities preferred to start their own ventures when given the opportunity. There were mixed reactions from students doing post graduate studies with some saying they were aiming to by chance to get a high paying jobs. Some said that they preferred to pursue their studies while doing small businesses. One graduate said, “With limited job opportunities for undergraduates it is
better to study for a master’s degree while looking for a job”. Another graduate remarked, “When given an opportunity, it is worthwhile to do income generation while pursuing post graduate studies”.

**How graduates’ qualifications and experience affect opportunities for entrepreneurship**

Data from unemployed graduates doing nothing to generate income show that the degrees they acquired were destined for formal employment in economic sectors that were not performing well. For example one Supply Chain Management graduate said “My degree is for transport and logistics. However there are very few companies in the business viable to employ logistics and operations officers”.

Some students said that they could not find employment because the labour market was flooded. For example one student doing tourism and hospitality said that the tourism and hospitality outlets in Mutare were flooded with graduates from the local Poly Technical College and no new investors are coming into the industry. Asked why they could not start their own businesses, the graduates sad the tourism industry needed huge investments which they could not afford.

Some students with Bcom degrees in accounting, human resources and marketing majors said that they were finding it difficult to get employment partly due to lack of experience. The graduates said their opportunities existed in the corporate sector. However, opportunities that existed required experience and the market was already flooded as graduates already employed there were upgrading themselves through Open and Distance Learning. When asked why they did not venture into entrepreneur, majority of answers cited lack of opportunities. Some said they were not aware of entrepreneurship ventures in line with their degrees. One comment said; “My degree was too theoretical and I do not have the necessary experiences to start a business”.

Some graduates said they were not employed because there were no job opportunities in line with their qualifications. Most of such sentiments came from students with ICT and engineering degrees. Asked why they could not start their own ventures these students said they had not been exposed to venture creation and incubation during their studies. Some said they had no information to network with industries and SMEs. Some were concerned with lack of support from universities, industry and financial institutions for them to start ventures.

Graduates who were unemployed but doing post graduate studies said they did not immediately get employed after graduation because of too many people with Masters Degrees. Some said they wanted to remain marketable while waiting for opportunities. One post graduate diploma in education student said; “I am a temporary teacher, so I am doing a short duration post graduate teaching diploma to secure the teaching job”.

Ased why they could not venture into self-employment, some said that they lacked resources and expertise to do so. Some said their degrees had opportunities in the teaching profession and therefore preferred to secure their income first before venturing into starting small ventures.

Graduates doing vending activities sold second hand clothes, small imported products and food stuffs. Majority sold their products in streets while some moved around offices, workplaces and commuter ranks. Asked why they were not employed, some said they were either retrenched or had never been employed before. One of the graduates said, “I do vending activities in order to raise income for my wife and kids and to raise capital start other profitable ventures”.

Graduates employed in jobs not related to their degree programmes were in the public service and in SMEs. Some engineering, tourism and hospitality, and development graduates taught in high schools. One commerce graduate was employed as a haulage driver while one development studies graduate worked at a mining enterprise as a general worker. There were some bachelor of commerce graduates employed in retail outlets and service stations as point of sale operators. While some had acquired their degrees after getting employed, some said they got these jobs after graduation and only did so for income generation.
Factors affecting graduates’ participation in entrepreneurship activities

Table 3: Distribution of graduates by entrepreneurship activities

<table>
<thead>
<tr>
<th>Venture area</th>
<th>f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber industry</td>
<td>3</td>
</tr>
<tr>
<td>Fast foods</td>
<td>2</td>
</tr>
<tr>
<td>Transport</td>
<td>2</td>
</tr>
<tr>
<td>Hair and Beauty saloon</td>
<td>1</td>
</tr>
<tr>
<td>Hardware and stationery</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
</tr>
</tbody>
</table>

Data in table 4 shows various activities that graduates did. However all ventures were at startup phase, very small with no positive indicators for growth. Asked what impediments were hindering growth, all graduates cited lack of venture capital. For example the three graduates involved in timber industry did timber retailing of buying timber form saw mills in plantations around the city for reselling. The timber retailers said they rented the open spaces they operated on and also hired haulages trucks to ferry timber from plantations. One of the comments given was “We are failing to secure loans to construct sheds, buy trucks and new equipment”.

Some graduate entrepreneurs’ choice of businesses ventures was driven more by passion than by the nature of skills. However the graduates admitted that they lacked requisite knowledge and skills to survive competition and grow. For example one graduate involved in beauty and hair business had a degree in social sciences but had passion in beauty. However, the salon was facing stiff competition and had remained as a backyard cottage saloon suppressed competition from established enterprises. Some of graduate’s comments were, “My saloon is not growing as. I need extra capital and expertise to compete in the industry but I don’t have the capacity to do so”.

Graduates said they faced challenges of complying with standards and by-laws. The graduates saw their failure to meet standards as emanating from constrained circumstances they were operating in. Some of the ventures were not registered due to lack of capital to process registration and comply with tax laws. One of the graduates in the transport industry had unregistered taxis trucks. He complained of high taxes, fines and parking tariffs, finding it profitable to operate illegally. Another graduate in the fast food industry complained of high licensing charges, rentals and lack of capital to refurbish the premises to comply with health and sanitation by laws. For example one of the graduate operating a take away food outlet said that there were too many food outlets and competition was high. One comment remarked, “Very high hygienic standards are required and to survive, the outlet must continuously improve its ambiance and quality of food”.

Some graduates’ small ventures were also suppressed by pricing competitions form cheap foreign products. For example a number of graduates were in mobile communication and computer accessories retailing renting small spaces in unused shops and offices. However the small spaces restricted the amount of goods they sold and the high space rentals and competition was a major impediment. One graduate in building material retailing said that the small volumes on display did not give the needed competitive advantage as customers were attracted by large volumes in stock

**RECOMMENDATIONS**

The study recommends
1. Compulsory inclusion of entrepreneurship courses in all degree programmes
2. Graduate training programmes that support graduates with incubators, startups and attachment in SMEs
3. Post graduate training programmes on entrepreneurship specially designed for students from none business degrees
4. Increased networking of government, business, industry banks and SMEs aiming to empower graduates into venture creation.
REFERENCES