



Education as an Economic Investment

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Abstract

This paper discusses participation in education from an economic point of view. It highlights the various types of education and their impact on the economic development of a nation. It also presents a rationale for seeing education as an investment rather than a social service. This paper is intended as a guide for education investment decisions at any given level, by individuals, governments, and corporate bodies. The economic concepts of resource scarcity, opportunity cost, and private and social costs/demand are discussed in an education context. The rationale for investing in education is presented. Common obstacles to private and social investment efforts in education are discussed so as to enable future investors to make appropriate projections on resource requirements for the implementation of any education investment plan. This paper concludes that a clear understanding of the contemporary challenges in education as well as the various investment options is pertinent to the process and development of education.

Keywords: Education, Economic, Investment, Demand, Cost, Opportunity, Capital, Benefits.

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INTRODUCTION

The achievement of efficiency in the provision of education is one of the major concerns of education economists. To this end, this paper highlights some of the major concepts in the economics of education, and how they can be explored to achieve optimal social and private economic benefits from the process of education.

Education means different things to different people. From a generic perspective, it simply means the transmission of knowledge from one person to another or the transmission of knowledge from a teacher to a pupil. For Akani (1990), it is the process of molding individuals in society in order to develop their potentials. According to Hornby (2000), education is a process of training and instruction, especially of children and young people in schools and colleges designed to give knowledge and develop skills. It also includes the field of study dealing with how to teach and the process of teaching somebody about something or how to do something. Ololube (2011a,b) associates education with: (i) the act or process of imparting knowledge or skill; systematic instruction; teaching; (ii) the obtaining of knowledge or skill through systematic instruction; schooling; (iii) knowledge or skill obtained or developed through systematic instruction; (iv) learning, a programme of instruction of a specified kind or level e.g. vocational education; university education; and (iv) the field of study that is concerned with teaching and learning; the theory of teaching pedagogy. These definitions of education highlight four dimensions of the concept of education:

- Education as a process
- Education as a field of study or profession
- Education as a programme of instruction
- Education as an institution/agency

Education as a process involves teaching and learning which may occur in a formal setting as in a school, in a non-formal setting as in artisan training centers, or in an informal setting as in families and peer groups. Education as a field of study is concerned with the formal training of teachers for the various levels and programmes of education. A professional teacher is one who is trained and certified in the field of education. In Nigeria, A Nigerian Certificate of Education (three years of education in a College of Education) qualifies one as a primary school teacher. A Bachelor's Degree in Education qualifies one to teach at the secondary level of education and a Master's Degree in Education qualifies one to teach in the Faculty/College of Education at the tertiary level. Ideally, only a trained teacher is qualified to train another teacher. Education as a programme of instruction involves classifications of instructions designed to address teaching and learning in various areas of human activity. This includes, rural education programmes, sex education programmes and HIV/AIDS programmes. Finally, education as an institution/agency involves the organization of education according to the various organs responsible for its management. In Nigeria, the Ministry of Education is the apex body responsible for the management of education in the country. Others include the Universal Basic Education Commission (UBEC), the National Universities Commission (NUC), the National Commission for Colleges of Education, (NCCE), the National Commission for Nomadic Education (NCNE), and the National Board for Technical Education (NBTE).

Based on the above definition, education can be thought of as the process of molding a person's character and preparing such person for functional existence through training and instruction. Education as character training and skill acquisition lends itself to three major types of classification: classification by level, classification by method and classification by programme.

(a) Classification of education by levels

Three levels of education exist by this classification: primary, secondary and tertiary levels. Primary education is the education given to children between ages five and twelve. In Nigeria and in most countries of the world, primary education is compulsory for every child. In Nigeria, it is a punishable offence to deny a child the right to primary education which is a necessary part of the nine-year basic education programme. Primary education equips the learner with functional literacy, numeracy.

Secondary education is the education that is received in a school after primary education. Secondary education is also referred to as post primary education. At this level the learner acquires skills and knowledge that prepares him/her for formal employment in the economic sector or for further education at the tertiary level. Secondary education in Nigeria is a six-year programme divided into three years of junior secondary education and three years of senior secondary education. The three years of junior secondary education are a compulsory part of the Universal Basic Education (UBE) programme.

Tertiary education is the education provided at the highest institutional level. It is the formal education that is received after secondary education. The acquisition of the West African Senior Secondary School Certificate is one of the basic conditions for tertiary education in Nigeria and all West African countries. The highest educational qualification obtained at this level is the Doctorate Degree (PhD) which is acquired through university education. The PhD is described as a terminal degree because formal education in any particular field terminates with it. Institutions classified as tertiary education institutions include Colleges of Education, polytechnics, and universities.

(b) Classification of Education by Methods

There are three method classifications of education: formal, non-formal and informal education. Formal education is the education that occurs in a formal setting known as school. Formal education is given in a school by a teacher formally trained and certified in a field of education. Curricular content and method of administration are clearly defined by law and policy in a school setting. The curricular content of formal education covers virtually all areas of human activity (Ololube, 2011a). Formal education is associated with compulsory curricular activities and an adherence to time schedules. Primary, secondary and tertiary schools provide formal education.

Non-formal education is the education given in non-formal settings, such as on-the-job training or workshops, artisan workshops, and the education provided in training centres. The administrator of a non-formal institution may or may not have a formal education depending on the content of the programme they administer. A high level of mastery of the skill to be transmitted is usually a major qualification. In a skill acquisition programme for instance, the instruction emphasis is on equipping the learner with the basics of the specific skill. In a literacy programme, the emphasis is on literacy and numeracy and the services of a trained teacher are necessary for effective teaching and learning.

Non-formal education is designed for people who cannot tolerate the rigidity of formal education or who for one reason or the other missed the opportunity for basic formal education. The curriculum of non-formal education is therefore designed to suit the learning needs of this category of learners (National Commission for Nomadic

Education, NCNE, (1998). To provide for the education of illiterate and semi-literate adults in Nigeria, most Nigerian universities offer courses in adult and non-formal education up to the PhD level. This is to ensure a high quality supply of teachers for non-formal education. The national policy on education recommends that non-formal education at primary and secondary levels be based on the recommended curriculum for these two levels of education (FRN, 2004; UNESCO, 2005, 2006).

Informal education is the education acquired through interpersonal associations. Informal education can be acquired from family relationships, social organizations, religious associations, and peer groups. In these relationships, teaching and learning may or may not be conscious and deliberate. The curriculum of informal education is often determined by prevailing circumstances (Jeffs & Smith, 2005; Ololube, 2011a).

(c) Classification of Education by Programmes

Education programmes include special education, science and technology education, arts education, and vocational education. Special education refers to the type of education that is given to persons with physical/sensory impairments. It also includes the education of the socially disadvantaged such as children and adults of pastoral nomadic groups, migrant farmers, and migrant fishing families. In Nigeria, the classification of people with special education needs also includes gifted and talented children and adults “who have very high intelligent quotient and are naturally endowed with special traits (in arts, creativity, music, leadership, and intellectual precocity) and find themselves insufficiently challenged by regular school programmes” (FRN, 2004, pp. 47-48).

The curriculum and instructional resources for special education are designed to suit the particular challenges faced by the various groups of learners. For instance, the curriculum for adult members of migrant fishing groups in Nigeria includes functional literacy, vocational training, cooperative education, training in capital formation and loan utilization, and environmental and health education. The curriculum for the education of children from migrant fishing homes follows that of regular primary schools, but with modifications in time-tabling and content to accommodate the fishing times and the cultural background of the learner (NCNE, 1998). Teachers who provide special education are trained to handle the needs of the various categories of learners.

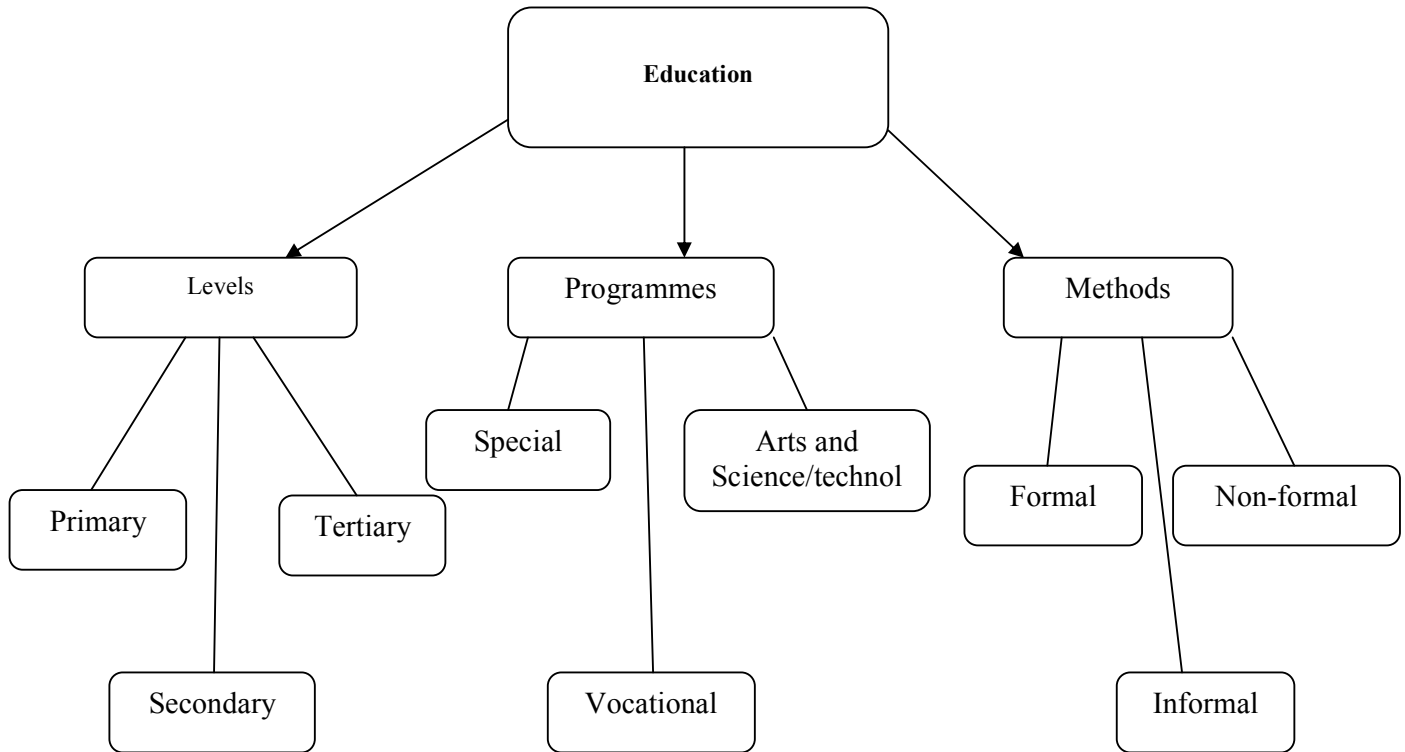
Science and technology education provides the learner with knowledge and skills in the field of science and technology. Science and technology education is often given higher priority in education planning in Nigeria because of the country’s desire to make education relevant in the rapidly changing global economy. Education in the arts is, in contrast, designed to train students in such areas as history, languages, fine and applied arts, education, business studies, accounting, and the social sciences, including economics, political science, and social studies.

Finally, vocational education is education that equips the learner with practical skills in a specific field. Vocational education includes skill acquisition programmes in carpentry, furniture design, tailoring, home management, agricultural science, and fine and applied arts. Vocational education can be acquired through formal and non-formal training in schools and in training centers.

Economic Rationale for Classifying Education

The classification of education by levels, programmes and methods enables an investor to set clear objectives and to make a clear assessment of the investment requirement in terms of material and human resources, as well as the demand for any particular type or level of education. This is where the economic concepts of scarcity and choice come into play. All of these classifications of education can be provided in a regular formal school. They may also be provided in a school that is prepared to cater for the peculiar needs of the prime beneficiaries. The decision to group or separate students is an economic decision because it is guided first, by the level of resource availability, and second by the desire to achieve efficiency in human resource development through education.

Figure 1: Classifications of Education



INVESTING IN EDUCATION

An investment can be generally described as the use of money for the purpose of profit making or achieving success in business. Technically, the term investment is defined as the process of adding to stocks of productive assets, which may include the acquiring of fixed assets such as buildings, plants, and equipment (Black, 2003). An investment may also include spending money to improve the quality of existing human resources in an organization through education.

Education is a service sector because it is designed to produce educated men and women who will contribute to the labour market and ultimately the economy. Given that it is responsible for the development of human resources in any economy, investment in education is tantamount to investment in human capital formation. Investing in education can take many forms including the establishment and management of schools as a business venture and/or the acquisition of any particular type of education by individuals to enhance their employment prospects and income earning capacity. Government can also invest in the development of a particular type of human capital considered important to national development.

Rationale for Investing in Education

The major rationales for investment decisions in education include:

Production of Human Capital

The economic sector benefits directly from the education sector because the products of education are the skilled or semi-skilled labour for the economic sector. The application of economic principles in the provision of education ensures adequate production of relevant human capital and the reduction of wastage in the process of human resource development.

Cost Effectiveness

The application of prudential principles in resource utilization in the practice of education ensures that investment in education produces a labour force that is relevant to the economy in terms of quality and quantity. The production of irrelevant labour amounts to the increased unemployment and a waste of education resources.

Programme Planning

Adequate investment in education ensures that suitable education programmes are properly planned and implemented for the various levels of education. This is irrespective of whether the system of education is formal, informal or non-formal.

Creation of Awareness

Students in various fields of study are exposed, in the course of their study, to the economic opportunities and benefits that accrue from the careful application of the skills they have acquired through education. The student is also equipped with necessary managerial skills that will enable him/her to function in the world of work and entrepreneurship.

SCARCITY OF EDUCATION RESOURCES

In spite of the many benefits that come from human resource development through investment in education, it is still difficult for developing countries, especially in Africa, to provide equal education opportunities for all citizens. The economic realities of developing countries often compel governments and private investors to choose between investment options to enhance the pace of economic development. In Nigeria for instance, investment options competing with education for government attention include the generation of electricity, the provision of adequate potable water, the provision of adequate networks of good roads, the reduction of unemployment through the sustenance of industrial growth, the development of agriculture to reduce food importation, the enhancement of oil and gas production and national security. Existing resources must thus be shared between these competing areas of need. Inadequacy of resources is a major issue in virtually all sectors of developing countries' economies hence national priorities in terms of investment decisions and resource utilization. Choices arise as a result of this scarcity and priorities are set. These priorities can, in turn, result in the elimination of certain programs depending on the level of importance the decision maker places on such programs.

In Nigeria, as in most developing countries, general education is provided in primary schools as a social service. However, the Nigerian government has stated that the provision education as a social service is too enormous a responsibility for it to bear alone. The national policy on education in Nigeria thus encourages private individuals and corporate bodies to help in the education of Nigerians by establishing and administering schools. This has meant a proliferation of private schools at all levels of education. Private schools are not funded by government and are seen as profit making organizations subject to all kinds of taxation. Fees in private schools tend to be high because the school depends solely on those fees, or on bank loans, for operation of the school. Competition for student enrolment has meant that private school proprietors do strive for quality in the provision of education. This in turn, however, increases the capital and recurrent costs associated with private school management.

TYPES OF EDUCATION RESOURCES

Resources in education can be classified into two broad categories: material resources and human resources. Although some education analysts do prefer to use classifications such as: (a) tangible and intangible resources, in which case resources like buildings, money and instructional facilities constitute tangible resources, while time and information constitute intangible resources (Enaohwo, 1990); or (b) physical resources, human resources and financial resources, in which case information and time are grouped with tangible resources as part of the physical resources, human resources consist of academic and non-academic staff, as well as students, and financial resources consist of all the monies that flow into the school (Ebong, 2006). For the purpose of this paper, education resources will be presented as material resources and human resources:

(a) Material Resources include instructional aids, library materials, office and classroom facilities, recreational facilities, science laboratories, workshop equipment, school grounds and all the structures (facilities) on it, funds, information and time. Information and time are considered intangible because of their abstract nature. Education is founded on the use of information and time. The effective transmission of information in education is based on the efficient use of time and other vital educational resources. Education is thus time bound. The effective use of time is therefore as important as the effective use of other resources in the provision of any type of education.

(b) Human Resources have been defined in the education sector as consisting of academic staff (teachers), non-academic staff, and students/pupils (learners). Although students are the prime beneficiaries in the consumption of education goods and services, they do not pay taxes as students since their activities are not immediately directed at

personal income generation. Some students, however, especially in the vocational arts, will produce goods and services that contribute to school revenue. Human resources in education thus consist of all human beings directly concerned with the planning and implementation of education programmes and activities, in other words, the planners, the implementers and the prime beneficiaries. Education planners are responsible for policy provision, resource identification, plan evaluation, and plan implementation assessment. Plan implementers consist of school administrators and all staff members in a school.

DEMAND FOR EDUCATION

Investing in education requires the investor to have a general view of government and private participation in education, as well as the reasons for such pattern of participation. This knowledge enables the investor to anticipate the future demand for any level or type of education he or she may wish to invest in and the factors that are likely to affect such demand. According to Black (2003, p. 113), demand is the quantity of a good or service that people want to purchase and “the function of demand relates it to the factors determining it.” Such factors include customer income, the price of the good or service, and the price of other competing goods or services.

The demand for education can be defined as the desire of an individual or group of persons for a particular type or level of education at any particular point in time. Where private education is concerned, the demand for education therefore refers to the total number of people who desire a given type or level of education, are willing to pay the cost of getting it, and are capable of acquiring it. In Nigeria, where education is comprised of a mix of public and private schools, two types of demand arise: (a) the demand by those who can afford to pay for their education, are willing to pay for it, and are capable of acquiring such education (Private demand); and (b) the demand by those who cannot afford to pay for their education but are capable of acquiring such education if granted public sponsorship (social demand). The former can be referred to as private demand for education, while the latter refers to social demand for education or the willingness of a community or society to fund the education of its citizens. It is for this reason that “it has become common to regard private demand for education as investment demand, and the social demand for education as consumption demand” (Agabi, 2002, p. 105).

FACTORS THAT AFFECT DEMAND FOR EDUCATION

The demand for education is affected by a number of factors. The most prominent of these are government policy, societal innovations, parental attitude and gender bias.

Government Policy

Contemporary planning and financing of education policies and programmes are controlled to a great extent by government policy. The demand for education is in this regard highly affected by the type of policy that governs education in any particular society. In Nigeria, prior to 1976 education was largely controlled by voluntary organizations and religious groups and few people were willing to pay the price for education. However, with the introduction of free and compulsory education in 1976 more people demanded education than facilities could accommodate (Agabi, 2006). The demand for any type of education is generally higher when education is offered as a social service rather than a private investment.

Societal Innovations

Innovations consist of new and more efficient ways of doing things. Innovations in education include open university systems, internet education programs, the incorporation of computer training in all levels of education, special schools for physically and socially disadvantaged persons, part-time education, adult education, etc. Collectively, these are designed to ensure the adequate supply of relevantly educated manpower suitable for employment in today’s technology-driven economy. In other words, these innovations are designed to satisfy the increased demand for educated and computer literate personnel by industries and other employers of educated labour. Demand for education in this regard is influenced by the availability of computer training facilities in education institutions as well as the general accessibility of these types of education.

Parental Attitude

Some parents are reluctant to invest in the education of their children. This is most prevalent among poor agrarian communities and migrant/nomadic groups, in which cases children are often engaged as farmhands. The situation

among migrant fishing families has been captured by Nigeria's National Commission for Nomadic Education, NCNE: "migrant fishermen move from one fishing/selling location to another, with their children who are either too young to be left behind to attend distant schools or are used as helping hands by their parents to whom fishing has become a way of life" (NCNE, 1998, p. 1). The nomadic way of life constitutes "an important impediment" to the effective participation of nomadic families in formal schooling (NCNE, 1997, p. 1). For such families, the cost of sending a child to school is a lot more than tuition fees, transportation and books and it is an opportunity cost they are often not prepared to bear.

Gender Bias

In most developing countries, where socio-economic development prioritizes the advancement of a particular gender, demand for education is impacted. In most countries in Asia and Africa, for example, the education of male children is more important than the education of female children. This is because of the belief that investing in the education of a girl child amounts to investing in another family by virtue of the girl's marriage. Consequently, there remains a high illiteracy among women and girls in developing countries. In rural communities in Nigeria, erroneous clichés, that the education of a woman ends in the kitchen and that too much education is not good for a woman, abound. These beliefs have been a major impediment to female participation in education.

THE COST OF EDUCATION

The cost of education is the price that an individual or group of people pay to acquire education or to provide education for another person or group of persons. The cost of education can be measured in terms of money. It can also be measured in terms of opportunities lost in the acquisition of education. The cost of education may be borne privately or socially and can be thought of in terms of opportunity costs.

Private Cost of Education

This is the price that an individual pays to acquire education. The private cost of education includes the cost of books and other learning materials, transportation to and from school, hostel/boarding fees, meals, uniforms, tuition fees, and all levies paid in the course of schooling. The monetary value of these items constitutes the private cost of education when it is borne by the individual or his/her family.

Private Opportunity Cost of Education

Hornby (2000) defines opportunity as a favorable time or circumstance for doing something. If several opportunities occur at the same time and a person is not able to participate in all of the opportunities, that person is compelled to choose the most desirable opportunity. Opportunity cost is based on this choice between two or more existing alternate opportunities. The opportunity cost of any human activity consists of other activities which could not be carried out as a result of engaging in a particular activity at a particular period of time.

The private opportunity cost of education consists of all the opportunities that an individual loses as a result of his or her decision to acquire an education. Student A, for instance, must choose between tertiary education, skill acquisition and immediate employment. If Mr. 'A' chooses to acquire tertiary education, the forfeited skill acquisition and immediate employment opportunities become the private opportunity cost of Student A's tertiary education. Opportunity costs are inevitable given limitations of time and other resources.

Social Cost of Education

Social cost is the cost of providing social services. Social cost of education is the cost of education borne by the government who fund education. These costs may also be borne by non-profit philanthropic organizations like UNICEF or UNESCO. The social cost of education includes the cost of building public schools, furnishing the schools with the infrastructure and instructional resources, training public school teachers, paying staff salaries, providing recreational resources for public schools, awarding scholarships, etc. The social cost of education is the sum total of public and non-profit expenditure on education. Social costs are incurred when education is provided as a social service and schools are established as social institutions, with minimal cost to individual students and parents.

RATIONALE FOR PUBLIC PARTICIPATION IN FUNDING EDUCATION

There are several reasons that compel the general public to participate in the funding of education. These include:

- (1) Education is the Right of Every Child: the public funding of education enables every child to have access to education irrespective of his/her parent's economic and social status.
- (2) Education is a Tool of Socialization and National Harmony: government participation in the provision of education ensures that its citizens are educated. Since the norms and values of society are imbibed through education, government ensures a higher level of social harmony by expanding opportunities for education.
- (3) Human Resource Development: education is a central tool in the development of human resources needed for a functioning economy. The funding of education by government is always associated with policy decisions which ensure that education curriculum is relevant to the immediate and future human resource needs of the economy. By investing in education, government invariably invests in the development of human resources for the various sectors of the economy. The ultimate purpose of this investment is to reduce the cost of importing human capital from developed economies.
- (4) Quality Assurance: the participation of philanthropic organizations can reduce the education funding burden of government. This can reduce the aggregate social demand for education opportunities in public schools by providing expanded access to free education. It also reduces the pressure of over-enrollment on public school facilities. Over-enrollment manifests in the form of crowded classrooms, excessive workload for teachers, and over-utilized school facilities, all of which adversely affect the quality of teaching and learning.
- (5) Social Opportunity Cost of Education: the opportunity cost of education, as discussed above, refers to the opportunities forgone in favour of education. The social opportunity cost of education refers to the forgone opportunity for providing other social services which can no longer be afforded. These social services can include rural water supply projects, road rehabilitation projects, the construction of dams to aid agriculture, or the establishment of health centers.

Cost Effectiveness in Education

Cost effectiveness can be defined as the achievement of sought after results in the most economical way (Black 2003, p. 94). Cost effectiveness in education is the ability of an investment in education to achieve its education goal and the benefits for which it was made. The Nigerian government may, for instance, decide to allocate twenty billion naira to education every fiscal year for ten years, in order to achieve a 70:30 science-to arts/humanities ratio in the production of its future work force. If at the end of ten years, tertiary institutions in Nigeria are not able to produce this 70:30 science/arts ratio, the two hundred billion naira spent on education over the ten-year period can be regarded as ineffective because it did not achieve its objective. However, if 70 percent of the work force produced by tertiary institutions within the given period falls in the area of science and technology, then the two hundred billion naira spent on education within that period will have been effective. Cost effectiveness is measured in terms of investment objectives.

HUMAN RESOURCES DEVELOPMENT AND HUMAN CAPITAL FORMATION

Human resources refer to all the human beings in an organization. In the generic sense, it may be used in reference to the population of a country. For instance, Nigeria is believed to be rich in human resources because of its large population. Human beings constitute resources because in their developed state (adults), they can be engaged in the production of goods and services. In their undeveloped state (children), they constitute potential factors of productivity. The labour force, on the other hand, refers to the men and women in a country who are physically and mentally ready for employment in the production of goods and services. It excludes school children and adults who cannot take-up wage employment.

Human Resource Development refers to all the activities directed towards the preparation of individuals or groups for positive engagement in the economic sector. It includes all education programmes, on the job or in-service training, skill acquisition programmes, and industrial training schemes. The purpose is to ensure that the human being is continuously relevant in his/her rapidly changing work environment. In the present age of computer technology, for instance, computer literacy has become a prerequisite condition for employment in many sectors of the economy. Computer training has thus become one of the central areas of human resource development activities as seen in the proliferation of computer centers. A prospective investor in the provision of formal and non-formal education, who excludes the provision of computers as education resources, and computer training as part of the education process, has likely failed in his objectives.

Human Capital Formation and Wage Differentials

Human capital is the stock of expertise accumulated by a worker and valued for its income earning potential (Begg et al., 1994). Human capital results from investment in human resource development aimed at enhancing income generation prospects and “is the present discounted value of the additional productivity over and above the product of unskilled, of people with skills and qualifications” (Black, 2003, p. 214). Human capital is a unique type of capital in that it cannot be used as collateral for loans. It is liable to obsolescence through changes in technology and taste.

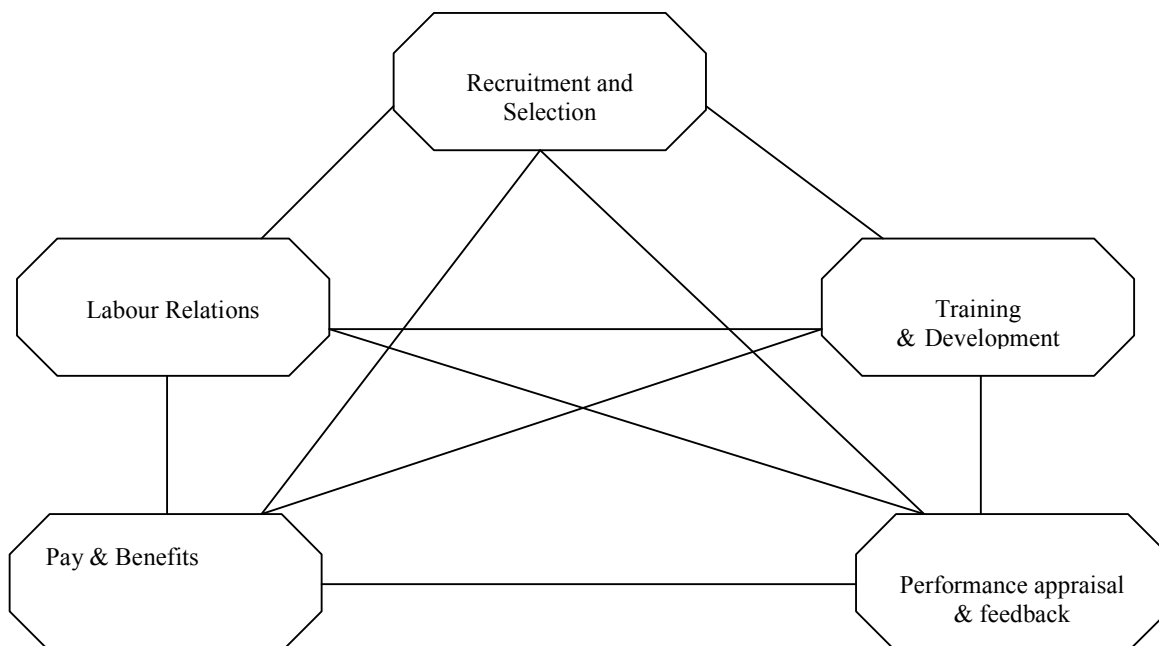
Human capital is based on the notion that skilled workers are more productive than unskilled workers. Investment in skill development through education and training is therefore imperative in the formation of the human capital. The higher wages associated with this caliber of human resource are reflective of the economic value attached to the level of education and skill development which they possess. Wage differentials refer to differences in the wages of different categories of workers. In the school system, for instance, principals earn higher wages than vice principals and classroom teachers. The various positions occupied by these three categories of workers could be as a result of their different levels of education and training or years of work experience or both which have added to their potentials for higher levels of productivity.

In Nigeria’s education sector, the development of school administrators and teachers through in-service training is mostly financed by government. This implies that only teachers that are employed in public schools benefit from such training. Private school proprietors are often hesitant in the provision of further training opportunities for their teachers because of the fear of losing such teachers to other schools that are willing to pay higher wages for those with additional training. This is often the case when adequate measures are not taken to ensure the appropriate management and retention of workers in an institution.

HUMAN RESOURCE MANAGEMENT IN EDUCATION

Human resources management (HRM) in education includes all activities that school managers engage in to attract and retain qualified teachers and to ensure that such teachers perform at a high level and contribute to the accomplishment of the school’s education goals (as set by the school and by the national policy on education). Jones and George (2003) identified the five major components of HRM as being recruitment and selection; training and development; performance appraisal and feedback; pay and benefits; and labour relations. Each of these components influences the others in such a way that they must all fit together for the efficient achievement of organizational goals. This is illustrated in Figure 2.

Figure 2: Components of Human Resource Management (HRM) System



Adapted from Jones and George (2003, p. 265)

Recruitment and selection: comprises the primary and basic step in the management of human resources at the institutional level. Recruitment involves attracting qualified persons to occupy vacant positions. The major task in recruitment lies in identifying existing vacancies and the relevant qualifications needed to fill such vacancies. The next step is to advertise to attract qualified persons. Selection involves identifying the most qualified individuals and separating them from all other applicants for the purpose of employment. Selection can be based on some combination of academic qualification, skill acquisition, relevant work experience, and the interview and/or written examination.

Training and development: of human resources for any education institution begins with the placement of the newly employed in a job that is relevant to his/her area of qualification, under the supervision and guidance of experienced personnel. Skills are generally perfected through practice and so more challenging tasks should be given to the employee when he or she has achieved an acceptable level of mastery in the performance of his/her regular assignment. The employee is further developed through participation at workshops, seminars and conferences organized by industry professionals.

Performance appraisal: involves an objective assessment of a worker's level of development in the system of education. It is one of the basic managerial functions of an education administrator. Performance appraisals guide the administrator in making appropriate decisions on issues such as staff promotion, discipline, wage increases, confirmation of appointment, retraining programmes, and appropriate on- the-job placement.

Feedback from performance appraisal: refers to all information that emanates from the performance appraisal exercise. When members of staff that are being appraised they complete and return the appraisal forms and school management should then provide feedback on its appraisal activities. Feedback to teachers and other members of staff on the outcome of the appraisal exercise is provided by the administrator to individual members of staff, usually in writing. There may also be a public presentation of the general level of performance in the institution.

Pay and benefits: refer to the remuneration associated with positions and tasks in an institution. Where pay and benefits are clearly defined they can serve as motivating factors for those with higher aspirations within the institution, and ultimately result in higher productivity. Higher positions should attract higher pay and greater benefits. Regular training through workshops and other on-the-job education programmes helps to enhance teachers' prospects of attaining higher positions and receiving the associated benefits.

Labour Relations: include the interaction between members of the school staff and school management with regards to the treatment of teachers and other workers in the school. An education institution is said to have positive labour-relations when interaction between the institution's management and all the workers (including teachers) is cordial and satisfying to all concerned. Beyond the institution, labour relations also involve the interaction of the school with labour unions considered to be outside the school.

CONCLUSION

The provision of education as an investment requires the investor to have a comprehensive understanding of the meaning of education as well as the various education investment options. Investor knowledge is also made up of a clear understanding of the economic variables that influence investment decisions in education, as well as the factors that affect these variables. The effective provision or acquisition of education as an economic investment requires that all of the factors that affect education are given necessary considerations. For this reason, concepts like resource scarcity, costs, choices, human capital formation and human resource management have been discussed in this article in relation to education and the school system.

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