# Employer's Perception on the Employability Competencies of Management Graduates

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*Abstract:-* **The objective of this paper is to discuss the research findings of employer's perception on various parameters of competencies of management graduates. The questionnaire was applied as the main instrument to record the employers' perception about employability skills of management graduates. The sample respondent comprises HR managers, and recruiters from various industries. Validation of the research instrument is done by taking the opinions of two academicians and one industrial expert. The findings of reliability test indicates that questionnaire design is reliable with Chronbach's alpha α=0.755. The results showed that all 25 competencies were considered very important by the employers. The very important aspects according to study were interpersonal communication, Customer service orientation, written communication.**

*Keywords:* **Employers' perception, competency, employers, management graduates, employment.**

## I. INTRODUCTION

India is the country with the youngest populations in the world, where as the global population is ageing rapidly, India has a strategic advantage with regards to demographic dividend. However, almost three fourths of India's population is unskilled. The World Economic Forum's Global Talent Risk report (2011) cautions that developing countries like India and Brazil will also face huge skill gaps due to low employability. There is a wide gap between the skills required in industry and those provided by the education system.

Universities, Management Institutes and organizations, which for long have been operating in separate domains, are trying to come closer to each other to bring a challenging environment. The constantly changing management shifts, in response to growing complexity of the business environment today have necessitated these two to come closer. Universities and management Institutes not only contribute skilled human resources to business, but also in various intangible ways.

According to Ana Azevedo et al (2012), the competencies that are imparted to students by management Institutes and that are needed by organisations are not matching and thus there is a lot of gap between supply and demand. Competencies needed by organizations are collected and they are compared with that are imparted by management Institutes.

The paper assesses the important parameters of employability competencies. A survey has undertaken to explore the employers' perception on employability skills. Accordingly data has been collected and interpretation has made.

## II. LITERATURE REVIEW

It is observed that the major objective of academia-society partnership and initiatives taken in this direction revolves around getting lucrative and better job opportunities for graduating students. Byrne (1991) says that companies demand more relevance today. He adds that management programmes provide less relevance with the job, are felt to be too long and insufficiently flexible. To improve the quality of output, more and more business corporations are looking to collaborate in more detail with business institutes to create programmes, which can be customized according to organization's individual needs and requirements.

According to Elliot *et al.* (1994) Management programmes place too much emphasis on quantitative and analytical skills and neglect human skills and do little to produce managers who are capable of meeting challenges of global business environment and cope with increasingly diverse workforce.

According to Rizvi (2003), Academia-Industry collaboration is a must if industry has to benefit from research and development activity at business institutes, and such a relationship should be encouraged across cultures for the benefit of global business. More and more opportunities need to be provided to the faculty through applied research, and case writing to keep them abreast of changes in the business world and hence enhance the overall teaching-learning experience.

Dayal (2004), says that "in most cases organizations use management institutes as recruitment centres. The right interface can develop only when they approach management institutes for help, for which the latter has to equip them to

understand business situations in depth and those useful to industry".

Irfan A. Rizvi & Ashita Aggarwal (2005), in their paper on enhancing student employability states how management institutes can work closely with organizations, study the dimensions of academia-organization partnership, and identify possible areas where organization's contribution to academia would be most effective

Ana Azevedo, Gerhard Apfelthaler, Deborah Hurst, (2012), in their study assessed that given the existing gap in the expectations of employers (as well as the graduates themselves) regarding the actual level of capability of business graduates in key generic competencies, we believe that more attention is needed to foster competency development in undergraduate business education. Results are consistent with existing empirical evidence regarding graduates' poor level of preparation in key generic skills and do highlight the need to strengthen competency development within graduate business education.

Chavan R.R in his study found that employers' are not satisfied among newly recruited employees and employers have pointed out that communication, time management/prioritizing, Self-confidence and decision making are most lacking employability skills in newly hired employee

## III. RESEARCH METHODOLOGY

The questionnaire is used as a research instrument which captures the general information of the employer and also assesses the employers' perception on the importance of employability competencies listed using seven point Likert Scale ranging from 1 being "Least Important" to 7, "Extremely Important". The survey is been conducted by sending the questionnaire to HR Managers/ experts of more than 100 companies, out of which the responses received were 38. Respondents have also been asked to list the top employability skills that they consider as extremely important

to be in the possession of a successful job applicant..

The research instrument questionnaire was given to two academicians and one industrial expert to validate. The statistical software, SPSS, has been used to perform Chronbach's alpha as the reliability measure for this study.

The value of the Cronbach's $\alpha$ coefficient for this instrument in this study's sample was 0.755. This indicates that the 25 item scale is quite reliable.

## IV. RESEARCH FINDINGS

### 4. 1 Reliability analysis

Reliability analysis was employed to assess the internal consistency for all 25 employability skills parameter. The following Reliability Statistics (Table 1) inform us about the value of the coefficient $\alpha$ of Cronbach for the research scale is 0.741. This gets over the percent of 70%, which is an extra good value for the internal consequence of the conceptual construction of the investigated scale. If we continue with the release some units, in other words with the standardized value of the variables, then the coefficient Cronbach $\alpha$ will slightly increase the value of $\alpha$=0.755. This means that whether we increase the number of the items, then Cronbach $\alpha$ will take the value of 0.755 This indicates that the 25 item scale is quite reliable.

**Table 1:** Reliability statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| 0.755 | 0.741 | 25 |

The Table 2 Item-Total Statistics gives the following important information in particular.

**Table 2:** Item-total statistics

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| Team Work & Cooperation | 139.0000 | 46.000 | .082 | . | .757 |
| Flexibility | 140.0000 | 46.000 | .082 | . | .757 |
| Relationship Building | 139.4000 | 41.800 | .813 | . | .728 |
| Computer Literacy | 139.2000 | 54.700 | -.813 | . | .808 |
| Conceptual Thinking | 139.0000 | 41.500 | .417 | . | .738 |
| Technical Expertise | 139.6000 | 44.300 | .134 | . | .760 |
| Organisational Awareness | 139.2000 | 49.700 | -.351 | . | .785 |
| Interpersonal Communication | 138.6000 | 42.800 | .502 | . | .738 |
| Concern for Order, Quality and Accuracy | 138.8000 | 51.700 | -.451 | . | .801 |

| | | | | | |
|---|---|---|---|---|---|
| Impact & Influence on others | 139.8000 | 39.200 | .598 | . | .723 |
| Initiative | 139.2000 | 39.700 | .729 | . | .719 |
| Customer Service Orientation | 138.6000 | 50.300 | -.502 | . | .784 |
| Developing Others | 139.0000 | 46.500 | -.044 | . | .771 |
| Leadership | 139.0000 | 43.000 | .273 | . | .749 |
| Energy & Passion | 138.8000 | 35.700 | .954 | . | .691 |
| Analytical Thinking | 139.0000 | 34.500 | .855 | . | .691 |
| Self Control | 139.8000 | 41.200 | .740 | . | .726 |
| Organizational Commitment | 139.2000 | 37.700 | .651 | . | .715 |
| Ability and Willingness to Learn | 139.0000 | 46.000 | .082 | . | .757 |
| Interpersonal Understanding | 140.0000 | 44.500 | .335 | . | .747 |
| Self Confidence | 138.8000 | 43.700 | .373 | . | .744 |
| Written Communication | 138.6000 | 42.800 | .502 | . | .738 |
| Achievement Orientation | 139.0000 | 40.500 | .516 | . | .731 |
| Problem Solving | 139.0000 | 36.500 | .940 | . | .696 |

The above table indicates that the instrument possessed internal consistency in measuring the variables of interest with the Cronbach's alpha coefficients for 25 factors which ranged from 0.691 to 0.808. Hence, the questionnaire possesses strong reliability with a high degree of internal consistency and all the items appear from good up to high correlation coefficients. Due to these positive results, no modifications were made in the research instrument.

## V. DESCRIPTIVE STATISTICS OF EMPLOYABILITY COMPETENCIES

Table 3:
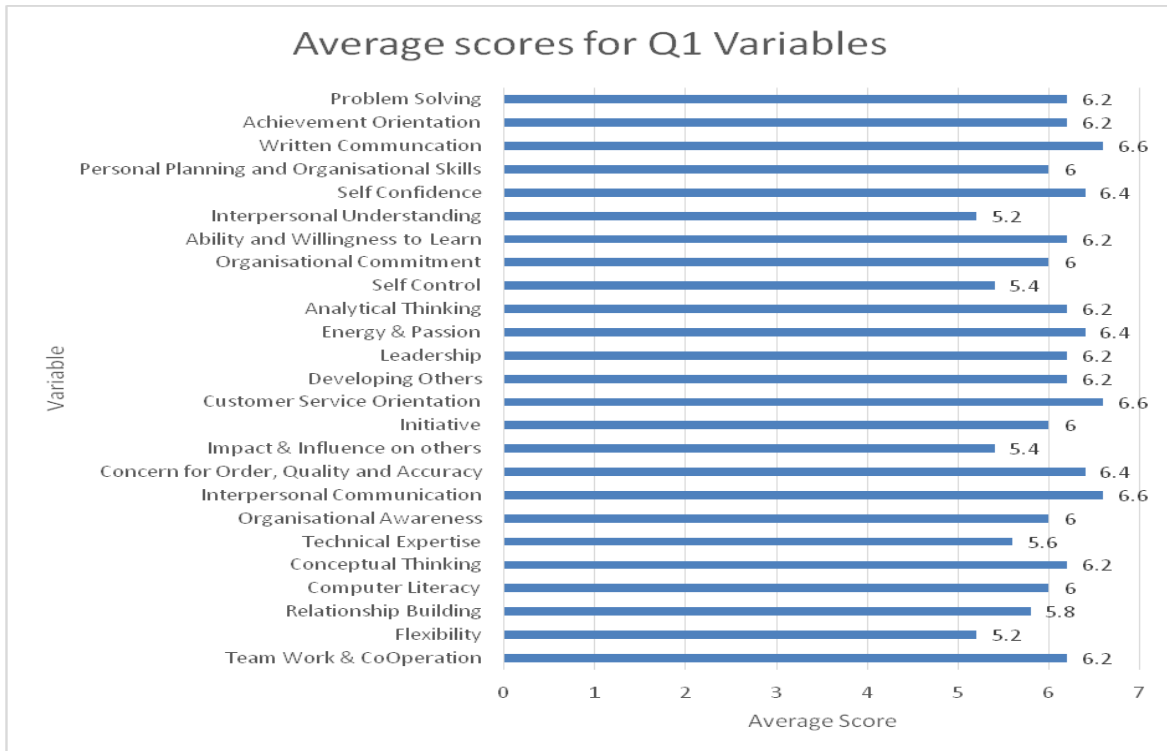


Scale: 1 = Least important to 7 = Extremely important

**Table 3** Shows the average scores for the variables

From the above table it is clear that amongst all the 25 competencies under the study, interpersonal skills, customer orientation, and written communication were most important skills whereas Concern for order, quality and accuracy, energy and passion and self confidence were considered moderately important.

## VI. CONCLUSIONS AND SUGGESTIONS

The reliability analysis has been performed for all the 25 items, which indicates questionnaire possesses strong reliability for all items. The employability skills were ranked on the basis of mean and standard deviation. The results exhibited that all 25 of the employability competencies were considered important by employers. Amongst all interpersonal skills, customer orientation, and written communication were most important skills whereas Concern for order, quality and accuracy, energy and passion and self confidence were considered moderately important. Also this study reveals that employers have pointed out that interpersonal understanding, self control and flexibility are most lacking competencies in newly hired employee.

Indeed, it is suggested that graduates must find ways to improve all 25 requisite skills primarily interpersonal skills, customer orientation, and quality work to enhance their employability.

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