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Employability and Skill Set of Mba Graduates: An Empirical Analysis

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ABSTRACT

This study is about the employability and skill set among the management graduates who have just completed their MBA Degree and it identifies various abilities of MBA graduates such as; communication skills, problem solving skills, planning and organizing skills, interpersonal skills, motivational skills, attitude skills, leadership skills, team work skills, decision making skills, computer skills, learning skills, and other functional skills. This study identifies the mean score of each skill and overall employability skills possessed by management graduates of selective management institutes/schools run by government and private in the state of Tamil Nadu. The research design used for this study is descriptive research design. Sampling technique adopted in this study is random sampling. Data collection is done through personally administered questionnaire. The sources for secondary data were journals, thesis and research papers. The tools used to analyze and interpret the employability skills among the management graduates are percentage analysis, mean score and independent t test and one way Anova in SPSS. The result shows that there is no difference in the employability skills based on the categories of institutions on the basis of the nature of management. The results also showed that there is no significant difference in the overall employability skills between male and female students. The results of the study have been discussed in this article.

KEY WORDS: Employability, Education, Management, Skill set.

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INTRODUCTION

Employability skills in recent years have gained a significant value as it can be applied to many jobs and opportunities. This rose due to joint efforts between industry and academics due to increasing demand of skills on job and dissatisfaction of employers. Employability skills have two important aspects i.e. Core Skills and Generic Skills. The generic skills are transferable skills. The transferable skills refer to certain attributes of person, that can be taken from one job experience to another, and at any stage of life, while core skill are dependent on one's career (Cox and King, 2016)¹.

Employability skills of India's graduates are found greatly insufficient. These skills include soft skills and entry level basic work skills. According to National Skills Report 2017 and National Association of Software and Services Companies (NASSCOM)² over 67 % of management graduates in India are not immediately employable and they lack work-readiness. During campus interview process most graduates struggle to clear Group Discussion and Personal Interviews. This challenge is affecting Indian industries in its ability to provide quality manpower to measure up to global standards; higher educational institutions in India are critically questioned for such a predicament. In spite of various measures hitherto undertaken by universities and corporate to equip Indian graduates with employability skills, the efforts have been grossly piecemeal and outcomes abysmally poor.

What are Employability Skills?

The term “employability skills” refers to those skills required to acquire and retain a job. In the past, employability skills were considered to be primarily of a vocational or job-specific nature; they were not thought to include the academic skills most commonly taught in the schools. Current thinking, however, has broadened the definition of employability skills to include not only many foundational academic skills, but also a variety of attitudes and habits. These transferable skills include the ability to “solve complex, multidisciplinary problems, work successfully in teams, exhibit effective oral and written communication skills, and practice good interpersonal skills” (Schmidt, 2017)³.

In fact, in recent usage, the term “employability skills” is often used to describe the preparation or foundational skills upon which a person must build job-specific skills (i.e., those that are unique to specific jobs). Among these foundational skills are those which relate to communication, personal and interpersonal relationships, problem solving, and management of organizational processes. Employability skills in this sense are valued because they apply to many jobs and so can support common preparation to meet the needs of many different occupations.

Employability skills are teachable and transferable skills (Yorke, 2016)⁴. Employability has been defined as “a set of achievements skills, understandings, and personal attributes that make graduates more likely to gain employability and be successful in their chosen occupations” by the Engineering Subject Centre of the UK Higher Education Academy.

Employability skills for Management Graduates

The employability skills are generic, attitudes and behavior that employers look in fresh management graduates at the time of recruitment. This can be used by industries, candidates and management institutes to make strategic decisions about developing employability skills. Students leave management institutes with great appreciation for their chosen fields, as they have studied it for their course duration (Cottrell, 2018)⁵. But in today’s competitive business world only core skills are not important alone to get job and meeting corporate expectations , but generic skills plays a vital role in enhancing their future in job place (Cox and King, 2016⁶; Fallows and Steven, 2018⁷. Buck and Barrick 2017)⁸ stated that employability skills are attributes of employees that make him important asset to company. Atkins (2015)⁹ suggested that requirements of skills changes with variations in region, business volume and market, so the corporate should not frame a fixed set of employability skill set for selection of new employees. This study identifies the mean score of each skill and overall employability skills possessed by management graduates of selective management institutes/schools run by government and private in the state of Tamil Nadu.

STUDIES ON EMPLOYABILITY SKILLS IN INDIA

Nidhi Pandey (2018)¹⁰ in his study entitled “Awareness of Life Skills for Job Sustainability Amongst Management Students”. The objective of the study is to identify the important factors affecting employability of MBA students. The sampling technique used is random sampling technique. The data were collected and the study used is primary data. The findings revealed that the attempt to find out the level of awareness of life skills among professional students, which are deemed necessary by any employer from an employee. The study is concluded that the life skills dealing to train and to cope up the loss and stress and at the same time develop critical thinking are required among the youths.

Vani Bhagwath et.al.,(2018)¹¹ in their study entitled “Employability Skills of MBA Students In Delhi-NCR”. The main objective of the study is, to throw light on the employability skills required for management graduates and to assess the employability skills of MBA students in particular in the National Capital Region of Delhi. The purpose of this study is to assess the employability skills of MBA students of the selected management institutions operating at NCR. The

research design used for this study is a descriptive-co relational research design. The study concluded that, the institutions can do updating the curriculum or course content, enhancing their intellectual capital, adopting optimal HR policies. According to **Shah and Nair (2018)**¹², manufacturing companies look up at management institutes for help when there is mismatch in the skill set expected by corporate and that imparted by management institutes.

Masura Rahmat et. al.,(2017)¹³ in their study entitled “Relationship between Employability and Graduates Skill”. This study aims to measure the employability of the FIST (Faculty of Information Science and Technology) graduates, Measurement carried out is based on the skills possessed by graduates during their studies at the faculty, and skills are assessed based on their basic knowledge of programming system development, soft skills, and entrepreneur skills. Descriptive and inferential statistical analyses were used to analyze the data. The findings revealed that the relationships between employability and graduates' perception of their own skills. The study suggests identify whether the level of skills possessed by graduates during their studies are appropriate in helping them to perform in the current job market. **Syed Hussain (2017)**¹⁴ in his research revealed that students remain unemployed because they lack in employability skills and not the technical skills required by manufacturing companies.

Ramlee (2016)¹⁵ stated that the students coming for manufacturing company have well enough technical skills, but they lack in interpersonal skills and motivation. **Rajni Khosla (2016)**¹⁶ in the paper entitled “Exploring employers expectations with changing market trends: A Study in reference to New Emerging Potential & Promising B-Schools” stated that Many students still face employability crunch. Employers as stakeholders can define best what skill set & attributes are prime to present business needs. This would improve employability index of B-School graduates. This study covers various employability skills needed by all MBA students, where most important employability skills for MBA students are listed out roles within the same organization, obtain new employment if required and (ideally) secure suitable and sufficiently fulfilling work. Employability skills are those skills necessary for getting, keeping and being successful in a job.

Talyor (2015)¹⁷ stated when total workforce of low skill, then the country's economy will not be ready to be industrial based economy. The changes in technology field will vary the demand and nature of skilled employees. **Preeti Nair (2015)**¹⁸ in their paper entitled “Employability Gap: a bottle neck in the progress of organizations, a study to find out the opinion of employers regarding employability skills for management students in the state of Gujarat” conclude that there exist employability gap between the employers and MBA professionals, because of, some of the required skills to get employed are lacking in MBA students of Gujarat. Those skills include problem solving skills, decision making skills, communication skills, domain knowledge, leadership skills etc.

respectively are the skills that employers think important. She also concludes that measures should be taken to develop domain knowledge; general awareness, networking, timekeeping and problem solving skills of students for that certain sessions must be taken as students lack these skills.

Rajanibala J. Shah et.al.,(2014)¹⁹ in their study entitled “A Study on Factors Affecting Employability Skills of Management Students”. The purpose of the study is, to study the present scenario of market expectations for management students and to find the factors of employability for them. The statistical tools used were exploratory factor analysis and ANOVA. The findings revealed that major factors are analytical skills and self-understanding, general management and work culture, leadership and problem solving ability and communication.

Rubvita Chadha et.al., (2014)²⁰ conducted a study titled “Industry’s Requirement for Employability of Management Student in Present Scenario”. The aim of the study is, the industry’s requirement for employability of management student in present scenario. The statistical tools used were mean and standard deviation. The study suggests and concludes that, the offer more practical training, develop their conversational skills, outsource to professional organizations specializing in improving employability skills, send their students to visit industries periodically, invite experts from industries to interact with students - take steps to train their teachers to orient them on the skills demanded by the industry, take measures to enhance students, confidence level, organize frequent personality development workshops and encourage institute-industry interaction.

T. V. Rao and et.al.,(2014)²¹ in their paper entitled “What employer’s value in the MBAs they recruit: Rebalancing the management education curriculum” conclude that qualities that the employers would like stressed mainly 3 things that gives directions for curricular change: Practice Orientation, Team Work and Perspective Building. Finally, they present six guidelines that seem to be important from the employers’ perspective as a model for future curricular practice: Introduction of the curriculum through practice; Critical thinking and diagnosis; Integrative thinking; Capability for learning; Focus on a complex made up of Leadership, Team Player, Innovator, and Corporate Citizen; and Apprenticeship before award of the MBA degree. Employability skills required for management graduates are language competency, cognitive skills, and functional and people skills etc.

Objectives of the Study

Employability is far bigger a challenge than unemployment. Industry leaders feel that the “skills” and “quality” of the workforce need a lot of improvement. Plagued with problems like curriculum, lack of qualified faculty, poor quality of content, and not-so-effective examination system, technical institutions do not provide signaling value in the job market. Keeping these views of the employers on mind, the following objectives have been framed for this research study in order

to provide valid suggestions to the policy makers on education while designing the course curriculum of management courses.

- ✚ To verify and understand the important variables of employability and skill set of MBA Graduates.
- ✚ To explore the status of employability skill set of MBA graduates of selective management institutes/school in the State of Tamil Nadu.

Hypotheses of the Study

H1: There is no significant difference among the category of management institutions with respect to the employability skills of the MBA Graduates.

H2: There is no significant difference between the employability skills of male and female MBA Graduates.

METHODOLOGY

Population and Sample: The population for the study consisted of recently passed out MBA graduates of certain selective management institutes and management schools run by government and private in the State of Tamil Nadu. Total number of MBA students in AICTE approved institutions in the state of Tamil Nadu is around 7400. The sample size selected for the study is 740(10% of Population).

Table 1: MBA Graduates Chosen for the Study

| Category | Category of Graduates | | Total |
|------------------|-----------------------|------------|------------|
| | Male | Female | |
| Government | 135 | 115 | 250 |
| Government Aided | 98 | 84 | 182 |
| Private | 165 | 143 | 308 |
| Total | 398 | 342 | 740 |

Sampling Plan: The recently passed out MBA graduates of the chosen management institutions and management schools run by government and private were selected by using simple random sampling method.

Data Collection Method: The required data to accomplish the study have been collected through personally administered self - designed questionnaire through e-mail. Totally 800 questionnaires were distributed to 800 graduates by keeping in the mind the non response rate and rate of incompleteness. The graduates have returned 778 filled in questionnaires of which 27 questionnaires were incomplete and finally the usable questionnaires were 751. However, only 740 responses were taken into consideration to make the sample size as 10% of the population.

RESULTS AND DISCUSSION

Table 2: Mean Scores of Employability Skill Set of MBA Graduates

| Skill Set Category | Mean | N | Std Deviation | Std. Error of Mean | Rating Based on Mean Score * |
|--|------|-----|---------------|--------------------|------------------------------|
| Communication | 4.07 | 740 | .356 | .015 | Good |
| Problem Solving | 4.21 | 740 | .178 | .007 | Good |
| Planning and Organising | 3.23 | 740 | .371 | .012 | Average |
| Leadership | 3.45 | 740 | .357 | .014 | Average |
| Team Work | 3.72 | 740 | .429 | .023 | Average |
| Attitude | 4.12 | 740 | .111 | .027 | Good |
| Decision Making | 3.53 | 740 | .000 | .000 | Average |
| Motivation | 4.38 | 740 | .474 | .022 | Good |
| Interpersonal & Emotional Intelligence | 3.11 | 740 | 1.036 | .041 | Average |
| Information Technology | 3.82 | 740 | .671 | .025 | Good |
| Learning | 3.77 | 740 | .537 | .022 | Average |
| Functional Skill | 4.31 | 740 | .915 | .033 | Good |
| Overall Emp. Skill | 3.81 | 740 | .654 | .021 | Average |

*The Likert scale of score 1 to 5 is used in the questionnaire for the survey. The ratings corresponding to the scores are ranked as : Score of above 4.6 to 5.0 is Excellent; Score of above 3.6 to 4.5 is Good; Score between 2.6 and 3.5 is Average; Score of above 1.6 and below 2.5 is Poor; and the Score below 1.5 is Very Poor.

Interpretation: The above table depicts the scores of employability skills possessed by the management graduates of the selective Management institutes and Management schools in the State of Tamil Nadu. Motivation skills have received the highest means score of 4.38 and lowest for Interpersonal & Emotional Intelligence skills. The ratings under Likert scale for most of the component skills are “Average”, except for certain other employability skills which are ranked as ‘Good’ and no employability skills ranked as ‘Excellent’.

Hypothesis 1

Null Hypothesis H₀: There is no significant difference in the mean values among the employability skills of three groups of institutions in the state of Kerala at 95% confidence level.

Table 3: Showing the ANOVA results of Categories of Institutions

Descriptive

OES

| Category | N | Mean | Std. Deviation | Std. Error |
|------------------|-----|------|----------------|------------|
| Government | 250 | 3.01 | 0.95 | 0.06 |
| Government Aided | 182 | 3.00 | 0.00 | 0.00 |
| Private | 308 | 3.36 | 0.48 | 0.03 |
| Total | 740 | 3.12 | 0.68 | 0.02 |

ANOVA

OES

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|--------|------|
| Between Groups | 47.557 | 2 | 23.239 | 64.736 | 0.08 |
| Within Groups | 239.401 | 737 | 0.384 | | |
| Total | 259.958 | 719 | | | |

Interpretation: A One-Way Analysis Of Variance (ANOVA) is conducted to test the hypothesis 1 and results were shown in table 3 above. Institutions were divided into three groups according to its nature of management; Government (group 1); Government Aided (group 2); and Private (group 3). The results of ANOVA test showed that there is no significant difference in the mean values of employability skills among the groups (students studying in first category ie institutions run by Government (M = 3.01, S.D = 0.95) and students studying in 2nd category ie Government aided institutions (M = 3., S.D = 0.00); students studying in third category ie Private institutions (M = 3.36, S.D = 0.48). The magnitude of the differences in the means is very small .From the ‘p’ value (0.08), it is concluded that the null hypothesis is accepted. It is very clear that there is no significant difference in the mean values of the employability skills among the three categories of institutions at 95 % confidence level.

Hypothesis 2

Null Hypothesis H₀: There is no significant difference in the mean values between the employability skill set of male and female MBA graduates in the state of Tamil Nadu at 95% confidence level.

To check the hypothesis, the researcher applied Independent sample t-test and the results were shown in table 4 below.

Table 4: Showing the ‘t’ test results of Male and Female MBA Graduates

| Gender | | N | Mean | Std. Deviation | Std. Error Mean | Sig. |
|--------|--------|-----|------|----------------|-----------------|------|
| OES | Male | 398 | 3.21 | .434 | .027 | .065 |
| | Female | 342 | 3.17 | .527 | .035 | |

Interpretation: The results of the independent sample t-test conducted to compare the employability skills of male and female MBA Graduates showed that there is no significant difference in the general employability skills of male (M = 3.21; S.D. = 0.434) and female graduates (M = 3.17; S.D. = 0.527); As the p value (0.065) is greater than 0.05, null hypothesis is accepted and hence, it is concluded that there is no significant difference between male and female graduates in the mean values of the employability skills possessed at 95 % confidence level. .

Findings

- From the study, it is identified that the important determinants of overall employability skills of MBA fresh graduates were communication skill, problem solving skill, planning and organising, leadership, team work, attitude, decision making, motivation, interpersonal and emotional intelligence, information technology, learning and functional skill.
- The mean scores of employability skills on a Likert scale of 1 to 5 available among the MBA fresh graduates were as: communication- 4.07, , problem solving skill-4.21, planning and organising-3.23, leadership-3.45, team work-3.72 , attitude-4.12, decision making-3.53 , motivation-4.38 , interpersonal and emotional intelligence-3.11 , information technology-3.82 , learning-3.77, functional skill-4.31 and Overall Employability Skills-3.81. The results showed that the rating for the overall employability skills is just “Average” (3.36) (**Refer table 3**).
- The ANOVA test to test the hypothesis 1 revealed that there is no significant difference in the mean values of the employability skills among the MBA graduates of the three categories of Institutions at 95% confidence level (**Refer table 4**).
- The Independent t test to test hypothesis 2 showed that there is no significant difference in the mean values of employability skills between male and female MBA graduates at 95 % confidence level (**Refer table 5**).

CONCLUSION

Based on this study, it is found that the employability skills of the MBA fresh graduates in the State of Tamil Nadu are at ‘average’ level only and it might hinder their opportunities to be employed. Therefore, it is suggested that management institutions must make greater efforts to help

students acquire the employability skills at the levels as required by many organizations & industry for the entry level jobs. All Universities and academic institutions should revise and update their MBA course curriculum with inbuilt provisions for the development of appropriate employability skills to ensure that their management students come out from such institutions with appropriate employability skills as demanded by employers & industry.

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