

A STUDY ON EMPLOYABILITY SKILLS OF MBA STUDENTS: EMPLOYERS AND STUDENTS PERSPECTIVE

Ajit Bansal*

Table of Contents

- Abstract
- Keywords
- Introduction
- Review of Literature
- Objectives
- Research Methodology
- Results & Analysis
- Conclusion
- References

ABSTRACT

Enhancing employability skills of management students is challenge before the institutes of management education Management education is not able to identify the way and out to develop employability skills also in a puzzle to select a proper approach that may have more employability alternatives to management students. Management education today has to address a wide variety of critical issues, one of survival, intense competition, serving the needs of stakeholders, delivering industry employable graduates and in the process of doing all this develop brand equity. While all of these issues are critical and important enough to generate a discussion, research and elaboration at length, this paper is an attempt to know the perception of MBA student's possession of employability skills at entry level in job market. This particular study focuses on the gap between perceived skills by management students and the industry expectations from MBA post-graduate at entry level.

KEYWORDS: Education, Management, Employability Skills

INTRODUCTION

Employability Skills are skills that apply across a variety of jobs and life contexts. They are sometimes referred to as key skills, core skills, life skills, essential skills, key competencies, necessary skills, and transferable skills. Industry's preferred term is Employability Skills. When we talk of management students in the Indian perspective, there is a paradox,

unlike the west wherein majority of students undergoing a management degree qualification have work experience, in a country like India, a management degree is considered a passport to seek a good job. This raises the criticality of employability skill development among management students in the Indian context. Developing these skills among students who usually have no hands on experience, no idea of reality what the industry wants and still desire the best. Here we are talking of management students who are from the business schools other than the Indian Institute of Management and related managements schools of this category. 3500 business schools with an average of 200 students enrolled ready to face the industry for seeking employment lays a big pressure in the preparation of these as a GDP indicator and economic development initiative to make them employable.

REVIEW OF LITERATURE

Gandhi, M. (2013) had conducted a study on Employability Skills in Management Students- An Industry Perspective and found out that management students don't possess the required employability skills from the point of view of industries and hence management institutions should take necessary steps to improve their pedagogy.

As per a study conducted by Dhar, S.K. (2012), it does not matter whether the Business school has the approval of the Governmental regulatory bodies such as University Grant Commission (UGC) and All India Council for Technical Education (AICTE). It becomes also immaterial whether the organizations are providing degree, diploma or Certificate program in management. Ultimately it matters whether the Business school is able to change the dimension of learning by its up-to-date course curriculum, innovative teaching pedagogy as well as andragogy. If students are really benefitted after studying the MBA Course, even if they are not getting placement from the campus, they will be able to join in a branded organization through the process of out-of-campus placement

According to Rubin and Dierdorff (2009), the curriculum of business management course often fails to provide managerial skill which an MBA graduate is expected

* Professor, School of Business Management, Maharaja Agarsen University, Solan (H.P.)

to apply in real life problem solving cases. In some extreme cases, it becomes a legitimacy crisis or relevance problem for the Management Institutions. As a result, the institutions started to lose their professional credibility which is being reflected in the form of reduced number of footfalls by the new entrants. Employability of the MBA students should not be confined only for the fresher. The senior manager of a company often prefers to pursue Executive MBA in order to get increment, promotion or switch over to a new organization which can be termed as a big leap in their professional careers. Similarly different organizations prefer to send their employees to pursue the professional course where the entire expense is borne by the company and employees do their MBAs within a sabbatical leave. NTPC has tied up with IMI Delhi and IIT for full time MBA and M Tech courses for employees. Power Finance Corporation (PFC) has initiated scheme to pay employees higher education abroad. The company will bear all expenses including travel, stay, accommodation and course fee (ETIG database as on 20th October, 2012). In other words, it appears that employees work hard not to gain general skills but only to use them as insurance against potential unemployment. This suggests that employee development programs give employees broadly marketable skills that can be integrated with career planning and promotion opportunities.

Benson (2006) & Baum & Locke (2011) opines that, entrepreneurial skill includes the innovative capacity to create a unique business plan, capability to acquire the finance for his own venture, formation of the Management team and procurement of facilities and equipments in an efficient and effective manner.

El Mansour, B. & Dean, J.C. (2016) had conducted a research on "Employability skills as perceived by Employers and University faculty in the fields of Human Resource Development (HRD) for the entry level Graduate Jobs". They found out that their exist gap between the expectation level of industry and present skills level of students.

Nawaz & Reddy (2013) are of the view that enhancing employability skills in management education is considered as an important task by all universities and colleges. Employability skills required for management graduates are language competency, cognitive skills, and functional and people skills etc.

Higher Education in India - Vision 2030, (2016) worldwide talent shortages are more acute in the Asia Pacific region including India. India stands third in the index with close to 61% difficulty in filling the jobs and the global average is around 35%. Various surveys in

the recent years have revealed that not more than 30% of the young generation are getting ready to join the workforce has the employability skills that the industry is looking for. There is a huge gap in the curriculum and teaching methodology followed by the majority of the educational institutions offering the professional courses and what actually is required by the employers. A report on Higher Education in India - Vision 2030.

Gowsalya, K. A. (2016) had concluded in their study on "A study on the factors affecting employability skills among college students in Namakkal District of Tamil Nadu" that the educators need to integrate the employability skills into courses and work more closely with the employers to complement the academic learning while to society and policy makers need to ensure that they have the right data to make decisions and the stimulate economy and foster the job creation and also ensure young people have skills which employers expect and link education with business. The curriculum is still focused on academic rather than the experiential learning.

Ravan, S. (2016) had conducted a study on, "Employability Skills Need of An Hour For MBA Students", find out that that now a day's employability skills are must by all the MBA students for getting the job. Since research says that in India there are only 10 % MBA students are employable. So, these skills are considered by employers include problem solving skills, interpersonal skills, communication skills, Integrated and value, result oriented, domain knowledge expertise, decision making skills, leadership skills, team player skills etc.

From the various studies above, it has been seen that there is skill gap between industry and students, Industry and Institute as well. Institute has to respond to the requirement of industry and has to change as per the need. There is suggestion that before employment there must be pre- employment training to the students. There is one more suggestion that involvement of industry in development of syllabus and partnership between Universities and Industry. Hence it is pivoted to find out the impact of syllabus on skills development, impact of entire course on skills development, whether skills imparted by the institution are acceptable by the industry.

OBJECTIVES:

This study purports following objectives:

1. To explore the perception and expectations of employers from existing employability skills of Management post graduate students at entry level.
2. To study and analyze opinions of Management post

graduate students and employers about employability skills.

3. To study the attributes of management post graduates students expected by the industry at entry level.

RESEARCH METHODOLOGY:

Research Problem:

Despite the fact that today there are millions of job opportunities in India across various sectors; industry is witnessing a serious talent crunch. Though hiring has been taking place on a regular basis, low employability of the hired resources is a serious issue.

As per a study conducted by ASSOCHAM India, baring a handful of top Business Schools like the government run IIMs and few, most of 5,500 B schools in the country are producing subpar graduates who are largely unemployable resulting in these pass-outs earning less than Rupees 10,0000 a month, if at all they find placements. Around 350 B-schools had shut down in the last two years in cities such as Delhi-NCR, Mumbai, Kolkata, Bangluru, Ahmedabad, Lucknow, etc.

Expressing concern over the decay in the standards of these B-schools, many of which are not properly regulated, the study by the ASOCHAM Education Committee (AEC) noted that ONLY 7% of the pass-outs are actually employable in India excepting graduates from IIMs.

Now the question arises Is there exist a gap between skills imparted by management institutes in post graduate management students and skills required for different positions in industry at entry level?

Many such questions are arose, discussed and debated and still did not find comprehensive and justified answer. This research is an effort to answer few of such questions.

Statement of Research Problem:

Present study intends to focus on management student employability in various industrial sectors. Management education is seeking to give college students the opportunity to learn and practice these skills in academics curriculum. Formal assessment of these management students can help understand the perception on employability skills possession before and in MBA, can understand employers perception on present skills level of MBA students and their expected skills level from management students.

Now question is whether Management students possess adequate employability skills as expected by the various industry sectors? Are students able to transfer those skills learned in their management

course to their workplace? If not, what needs to be done differently in academic programs to better prepare students? Essentially, these questions must be answered so that appropriate changes are made to syllabus and pedagogy in management education so that students learn and transfer their learning beyond their collegiate experience to the workplace and other contexts.

Hypotheses:

The research put forth to test hypothesis.

H₀: There exists no significant difference in employability skills & employability attributes as perceived by MBA students and industry.

Sources of Data:

The required data is collected through primary and secondary sources.

Primary Data:

The primary data consists of present level of employability skills and employability attributes perceived by employers and expected level of employability skills and employability attributes as far as skills and attributes required to different job profiles in different industrial sectors. Researchers explored number of employability skills and employability attributes. Employability skills and employability attributes imparted by management institutions, skills developed in management graduate while perusing course, perception of management institution, management students perusing post graduate management course, recruiters towards skills required for employment, opinions of management graduates students about employability skills and attributes before taking admission to MBA and the employability skills and attributes level after completion of MBA course is collected from primary source.

Secondary Data:

The data of the institutes recognized by AICTE imparting two years full time management education along with the students enrolled therein, the syllabi taught and the data relating to employment scenario of Solan & Shimla Distt of Himachal Pradesh, Industrialization in these districts was collected. Data regarding industrial sectors and units taken from Himachal Preadesh Industries Deptt & Distt Industries Center, Solan and Training and Placement Officers of various management Institutes.

Sampling:

The research is focused on management institutions, students perusing management education and employers who are recruiting management students.

The universe for this research comprises of the MBA students from Solan & Shimla distt of Himachal Pradesh and the employers. There exist 1500 students from 14 institutes & private universities during the research duration of year 2017-18 in Solan & Shimla Distt of Himachal Pradesh and indefinite number of employers which comprise the Universe for this research.

The sample units for selection of Industries for this research are selected using Stratified non proportionate sampling method. Being the infinite number of employers, at least five samples are selected from each of the ten industrial sectors available in Indian industry. The ten industrial sectors are FMCG, Consumer Durables, Management Consultants, Engineering, Pharmaceuticals, Retailing, Banking, Insurance, Real estate and Software (IT).

Table 1: Sample distribution as per Industry, Institute and Students

S. No.	Nature of Respondents	No. of Respondents
1	Industry	60
2	Students	325
	Total	385

Source: (Field data compiled by researcher)

RESULTS & ANALYSIS:-

Testing of Hypotheses:

To check the hypothesis researcher has applied independent samples t-test.

Table 2.1: t-Test of perceived employability attributes and expected employability attributes by Industry.

Group Statistics

	Group	N	Mean	Std. Deviation
Perceived employability skills by MBA students & employability skills available among MBA students as perceived by industry	1	325	4.00	4.95
	2	60	3.59	3.99

Independent Samples Test

		t-test for equality of means			
		t	Df	Sig (2tailed)	Mean Diff
Perceived employability skills by MBA students & employability skills available among MBA students as perceived by industry.	Equal Variances Assumed	2.140	40	0.038	0.42

Decision: Being the significance value of **paired t test 0.038** the null hypothesis is rejected and alternate hypothesis that 'There exists significant difference in perceived employability skills by MBA students and employability skills available among MBA students as perceived by industry executives' is accepted. There exists gap between employability skills available in the students perceived by the students and industry executives.

Table 2.2: t-Test of perceived employability attributes and expected employability attributes by Industry.

Group Statistics

	Group	N	Mean	Std. Deviation
Perceived attributes by MBA students & available level of employability attributes among MBA students as perceived by industry.	1	325	4.25	1.27
	2	60	3.59	1.29

Independent Samples Test

		t	Df	Sig (2-tailed)
Perceived Attributes by MBA students & available level of employability attributes among MBA students as perceived by industry.	Equal Variances Assumed	3.378	40	0.002

Decision: Being the significance value of **paired t test 0.002** the null hypothesis is rejected and alternate hypothesis that 'There exists significant difference in perceived attribute by MBA students and available level of employability attributes among MBA students as perceived by industry executives is accepted. There exists gap between employability attributes available in the students perceived by the students and industry executives.

CONCLUSION:

The mean score of Perceived employability skills by MBA students is 4.00 and the mean score employability skill available among MBA students as perceived by industry is 3.59. The mean score of perceived attributes by MBA students is 4.25 and the mean score of available level of employability attributes among MBA students as perceived by industry 3.59.

The level of employability skills as perceived by the industry are low as compared to the level of employability skills perceived by the students. This is the gap area when it comes to the employability skills perceived by the MBA students and the perceived employability skills of MBA students. As per this study the main reason behind this gap is the course curriculum of management institutions and universities which is not updated as per latest industry requirements. The practical aspects which need to be given due importance are missing from the curriculum.

The Management institutions should be able to contribute positive value addition in the life of the students. It is hardly important that whether the business school is scoring top ranks by different business school rating agencies. It also does not matter whether the Business school has the approval of the Governmental regulatory bodies such as University Grant Commission (UGC) and All India Council for Technical Education (AICTE) and it is offering diploma, certificate or degree programme in management.

The fact which matters is whether the Business school is able to change the dimension of learning by its up-to-date course curriculum, innovative teaching pedagogy as well as andragogy and students are going to get jobs.

Researcher can conclude that some efforts can be taken to bridge this gap through various development programs for MBA students in addition to the syllabus and pedagogy of MBA course.

REFERENCES

- Benson, G. S., (2006). Employee Development, Commitment and intention to turn over: a Test of Employability Policies in Action. *Human Resource Management Journal*, 16(2), 183-192.
- Bush-Bacelis, J. L., (September 1998). Innovative Pedagogy: Academic Service- Learning for Business Communication. *Business Communication Quarterly*, 61(3).
- Chhappia, H., (2012, October 8) 225 B-Schools, 52 Engg Colleges Close in 2 yrs. *The Times of India*, pp. 1-18.
- Citron, M. S., (2009). Differences in the Roles of Core Academic and Executive Faculty in MBA Programs: Time to Explore Assumptions. *Journal of Education for Business* (January/February), 183-188.
- Dhanwade , Sunil, Bhola, Sarang, (2012). Employability Skills of MBA Students at Entry Level: An Employers and Students Perspective. *Sinhgad International Business Review*, Vol. - v, Issue - II, January 2012 - June 2012, ISSN : 0974-0597, pp 151-157.
- Dhar Sujoy, (2012). Employability of Management Students in India: Some concerns and Considerations. *AIMA Journal of Management & Research*, November 2012, Volume, Issue 4/4, ISSN 0974-497.
- El Mansour, B. and Dean, J.C., (2016). Employability Skills as Perceived by Employers Faculty in the Fields of Human Resource Development (HRD) for Entry Level Graduate Jobs. *Journal of Human Resource and Sustainability Studies*, 4, 39-49. <http://dx.doi.org/10.4236/jhrss.2016.41005>.
- Gandhi Meenakshi, (2013). Employability Skills in Management Students- An Industry Perspective. *Asian Journal of Multidimensional Research*, Vol.2 Issue 2, February 2013, ISSN 2278-4853, pp 85-97.

Gowsalya, Kumar Ashok, (2016). A study on the factors affecting employability skills among college students in Namakkal District of Tamil Nadu. *International Journal of Commerce and Management Research*, ISSN: 2455-1627, Volume 2; Issue 11; November 2016; pp 09-14.

Helms, M. M., (2005, September/October). Planning and Implementing Shared Teaching: An MBA Team-Teaching Case Study. *Journal Education for Business*, 29-34.

Holt, C. C., (1969). A Computer Aided Approach to Employment Service Placement and Counseling. *Management Science*, 15(11), 573-594.

Lundstrom, W. J. (2011). MBA Attitudes towards Business: What We Don't Know Can Hurt Us or Help Us. *Journal of Education for Business*, 86, 178-185.

Mason, G. G., (March 2009). Employability Skills Initiative in Higher Education: What Effects do They Have on Graduate Labour Market Outcomes? *Education Economics*, 17(1), 1-30.