EMPLOYERS PERCEPTION ON GRADUATE SKILL DEFICIENCY TO SUIT PRODUCTIVITY

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Abstract

Purpose of the study: This study aims to investigate the perception of employers on the skill deficiency of graduates. The study also attempts to explore the nature and importance of employability skills with emphasis on the areas of deficiency that could be addressed by higher education institutions (H.E.I.s) to make their graduates more employable.

Methodology: This paper is a theoretical exploration based on existing literature. Relevant research papers were sourced from prominent online databases, notably Emerald and Elsevier, including journals, articles, and scholarly conference proceedings, and carefully analyzed. These studies provided an insight for the researchers to understand employability skills and also it helped to suggest the steps to be taken by the H.E.I.s to address the lack of employability skills and make the students ready to face the job market.

Main Findings: The results of the study suggest that a lack of employability skills is a major cause of unemployment among graduates of universities, colleges, and other H.E.I.s. The findings reflect the increasing desire of employers for graduates to possess soft skills such as critical thinking, problem-solving and effective communication, and collaboration. It also underscores the critical role of H.E.I.s in addressing graduate skill deficiencies.

Applications of this study: The study shows that employability skills are the foremost skills graduates require to successfully compete in the job market. The research encourages graduates to understand the skills deficiencies from the employers' perspectives and to discover some bespoke methods or ways of addressing their competency gaps, thereby enhancing their effectiveness and innovativeness. The study further offers a clear roadmap for H.E.I.s to enrich the quality of teaching and learning, thereby enhancing graduate employability. Thus, the outcome of this study will help not only the students but also the H.E.I.s and employers.

Novelty/Originality of this study: The study extends the current literature on graduate employability by integrating the three pivotal dimensions of the problem – the students, the H.E.I.s, and the employers. Previous studies have focused more on some specific aspects such as employability skills needed or expectations of the employers or stressed on H.E.I.s to create employability skills. Students are dependent on H.E.I.s for their studies while they are also dependent on employers for getting jobs; similarly, the H.E.I.s cannot function without the students, while the employers also cannot function without the human resource provided by the H.E.I.s. None of the previous studies appears to have integrated all these aspects of research. Perhaps for the first time, this study attempts to integrate all these aspects in such a way as to enhance our understanding of the rather complex phenomenon that graduate employability has become.

Keywords: Graduate Employability, Graduate Skill Deficiency, Employers’ Perception, Higher Education Institutions, Soft Skills, Workforce Productivity.

INTRODUCTION

The global economy is ever-changing and the requirements of the industry to lessen the cost of production and improve their profits have led to the constant change in their production processes and marketing strategies. This change in the global economy is not in line with higher education courses, course organization, and learning in higher education. In such conditions, a job for life or progression in career expectations by the graduates cannot be accomplished. They are expected to have a wider variety of soft skills, specialized knowledge, attitude to constantly acclimatize and transform skills and abilities in various circumstances. Even though novel technologies eradicated certain jobs at the place of work because of automation, it also produces some jobs that cannot be accomplished by machines but only with the help of human beings. It comprises interaction skills, interpersonal skills, group work, personal characteristics like intelligence, problem-solving and analytical skills, etc. Recruitment techniques in a majority of the organizations increasingly emulate testing the candidate's capacity for problem-solving and critical thinking skills, as opposed to merely having domain/technical knowledge. (Gracia, 2009)

H.E.I.s are playing a vital role in developing the country's economy and society, good job opportunities for graduates, and developing business entrepreneurs. Higher education institutions exist for a longer period and enormous development of educational institutions in a few decades, even though existing H.E.I.s able to meet graduates are job-ready? Could do H.E.I.s develop a commercialization based research path? Could H.E.I.s promote civic engagements? Hence this study helps to give H.E.I.s to focus on the required skill set in the industry to develop a new path to meeting employers' workforce requirements.
Employmability skills generally border on the individual's personal abilities and productiveness. Hence a range of definitions have been provided along this paradigm thinking: "Employability skills are individual skills and characteristics proven by an individual that differentiate between one job seeker and the other in their discipline of specialty and aid them to obtain a rewarding job, withstand them in that job and develop in their profession to accomplish their maximum capacity and achieve their aims and also of the business." (Sarfraz et al., 2018).

The Australian Bureau of Statistics (A.B.S.) deliberated an employability skills methodology, ultimately acknowledging employability as both 1. Higher-order skills like interaction skills, working in a team, solving problems, planning, etc. and 2. Personal traits like loyalty, commitment, enthusiasm, etc. (Statistics, Australian Bureau 2009)

The USEM explanation of employability is undoubtedly the most distinguished and cherished paradigm in this field. USEM is an abbreviation that includes four components of employability: 1. Understanding, 2. Abilities, 3. Efficiency and 4. Awareness (Yuzainee et al., 2011) Understanding how these components or competencies could be successfully embedded into the traditional H.E.I. Curricula remains a continuing research enterprise.

The present paper thus attempts to extend the current literature on graduate employability by integrating the three pivotal dimensions of the problem – the students, the H.E.I.s, and the employers. A range of previous studies have focused on some specific aspects such as employability skills needed or expectations of the employers or stressed on H.E.I.s to create employability skills. It is noted that students are generally dependent on H.E.I.s for their studies while they are also dependent on employers for getting jobs; similarly, the H.E.I.s cannot function without the students while the employers also cannot function without the human resource graduated by the H.E.I.s. None of the previous studies appears to have integrated all these aspects of research. Perhaps for the first time, this study, therefore, attempts to integrate all these aspects in such a way as to enhance our knowledge of the rather complex phenomenon that graduate employability has become.

This paper has been organized into five broad sections. After this introduction, the paper highlights the outcome of the literature review covering the increasing importance of employability skill set, the role of H.E.I.s, and the perspectives of the employers regarding employability skills deficiencies. Section 3 briefly discusses the key results of the study and the implications for H.E.I.s human development policy and practices while section 4 highlights the study's methodological limitations. The paper ends with some concluding remarks and suggestions for future studies.

**IMPORTANCE OF EMPLOYABILITY SKILL SET**

The development of human resources to achieve savings in cost as well as develop the functioning of the industry. Human capital is a key factor for improving business performance and at the same time enhancing the employees' productivity and sustainability to become more competitive. Human capital is described as a method which involves preparing, teaching, and giving professional ideas to improve the skills, capabilities, social assets, and value which leads to employee job satisfaction and improved performance which will, in turn, improve the functioning of the business (Husain, M.Y et al., 2010). H.E.I.s and graduates identify various employability skill requirements by employers and fulfill those skill gaps through Training and development. Most of the employers expected employability skill sets are team-working skills, communication skills both oral and written, leadership skills, critical thinking, problem-solving, managerial abilities, technical and discipline competencies (Kenny et al., 2007).

Human capital is stated as the skills and knowledge attained by an individual with education and Training. College education acts as an essential part of the development of human capital for accomplishing the knowledge economy. Businesses are competing against each other to persist in the market. To accomplish this aim, businesses need to have a competitive employee who will have the talent to survive in the global competitive market. To produce a competitive employee, employers spend a lot of money to improve the human capital of employees to make them experts in the skills desired in the era of globalization. Still, the investment for improving human capital is swelling. So, the businesses envisage educational institutes to produce graduates’ students who come out with transferable skills necessary for the market without the need for further training from the industries. Thus, graduates possessing employability skills are expected to get a cutting edge in getting jobs in the industry. Higher education institutions like polytechnics need to develop graduates with both technical and non-technical skills (Husain, M.Y et al., 2010).

**HEIs FOCUS ON EMPLOYABILITY SKILL CREATION**

Graduates of Higher Education Institutions(H.E.I.s) fail to meet the expectations of the present job market so employability is a challenge for them. H.E.I.s have been accused of creating graduates who are hopeless in meeting the employment demands in the job market (Helver and Lee, 2014).

Although the new graduates need to develop skills in their specific disciplines while looking for jobs, it is becoming even more significant than their hard skills are accompanied by a good combination of individual traits and abilities which in turn will enhance their employability (Harvey, 2001). Graduates having evident skills and attitudes and also their capability to use them when searching for jobs and the job sustainment is referred to as Graduates employability. The employers would be directly benefited from the graduate skills in job recruitment and candidate selection decision processes. The talents and attitudes are greatly treasured by the employers which will be an advantage for the graduates to enter into the job market (Lim et al., 2009). Employers in the industry agree that employability skills are important...
for the employees to perform exceptionally well in their jobs. Employability skills are non-Technical skills and it involves a portion of the job skills. Many employers think that the graduates have technical skills but they lack employability skills like communication, critical thinking, problem-solving, motivation, entrepreneurial skills, etc. which are needed for the better performance of the job (Rasul et al., 2013).

H.E.I.s and employers should work together to develop strategical sustainability measures towards educational developments. Such type of industry-institute collaboration supports employees and employers to develop individual skills and generate new knowledge to meet global competition (White, 2012).

EMPLOYABILITY SKILLS DEFICIENCY – EMPLOYERS' PERCEPTION

Lack of employability skills is seen as a major cause of unemployment among graduates of universities, colleges, and other H.E.I.s. A study conducted states that 60% of employers did not employ the graduates due to poor communication. The rest of them that is 40% of the employers, mentioned bad attitude, bad interpersonal relationship skills, and absence of emotional intellect for not employing fresh graduates (Ang, 2015). The graduates tend to overvalue themselves, even though the employers disputed that graduates are short of the required skills (Matsouka and Mihail, 2016).

The employers feel that the educational institutes are not preparing the graduates for the requirements of the employers or the economy. There is always a disagreement between the requirements of the economy and the organization and the emphasis the degrees provide to the students. There is a dearth of imagination, creativity, and flexibility. Theoretical content is taught well in the universities, but there is an absence of practical knowledge that is necessary to acquire employability skills and characteristics; hence H.E.I.s should fill those gaps.

The revolution in information and technology has changed the labor market needs remarkably. In the twenty-first century, students need innovative skills and capabilities. Educational institutions make graduates prepared for employability, which helps to gain suitable knowledge, skills, and capabilities (El-Fekey and Mohamad, 2018). The higher educational institutions should frame policies and regulations to empower the students to get practical experience to make them ready to face the job market.

Even though the efforts to make the graduates suit the employment needs arise when they leave the institution, the employers still complain that the quality of fresh graduates remains the same. The study was undertaken to find out the agreement or disagreement in the opinion of instructors and employers regarding the standard skills that the graduates should have on leaving the university. The standard skills felt as important for employability by instructors and employers about communication skills, which are considered of prime importance and integrity and professional ethics coming next to it. Ironically, critical thinking and problem-solving skills, which are given high importance in the educational field, might not be considered important by some employers. Even though the university curriculum is designed to meet the demands of the industry, the question that remains to be unanswered is why still many of the graduates are unemployed (Singh, P et al., 2014).

Though the business schools are effectively developing managerial skills, schools that remain underdeveloped need immediate analysis. Inadequate knowledge of leadership, self-reflection, critical thinking, and decision-making abilities are the main factors to stop economies are recovering from the global financial crisis (Chapman and Jackson, 2012). There are several problems with implementing the curriculum reforms like poor faculty skills, inadequate institutional resources, resistance from the practitioners who oppose the alignment of the undergraduate curriculum with industry needs, etc. But still, reforms are essential as the current reforms do not satisfy the industry requirements. Moreover, alliances and direct industry participation in developing non-technical skills are essential.

Most of the report reveals that higher education students are not well prepared for the jobs and the reason for the unpreparedness seems to be the difference between the skills learned by the students in the universities and the actual skills required in the labor market (Dabalen, 2001). Analytical skill is the most needed skill in the labor market, which is lacked by the students. The labor market also looks for skills in communication, decision-making skills, entrepreneurial skills, and critical thinking skills, which are found to be lagging with university students. Hence it recommends H.E.I.s should consider the inclusion of these skills, which are in high demand in the market in the university curriculum, to reduce the gap between the domain skills gained in the campuses and the expertise required in the labor market.

Due to COVID 19 and other factors makes unstable economic situations; hence presently, most of the employees are losing their job and fresh graduates difficult to get a job. To tackle the problems of unemployment, the program-specific curriculum for each discipline can be introduced and minimize unemployment impact. Entrepreneurship courses can be intensified at the undergraduate level and it would be extended to postgraduate courses to make new young entrepreneurs and start-ups (Nwabufo and Mamman, 2015). There should be a continuous collaboration between universities and industry to confirm that university education meets the needs of the industry demand and also the employability of the students.

There are various scenario makes lack of employability skills among graduate such as most of the employers felt that university students are not adequately prepared for jobs, most of the education system and economy remains underdeveloped, students are trained to be passive learners and corrupted employment practices (Tran, 2012). To improve the employability skills of graduates’ families, educational policymakers, and the Government should cooperate

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with each other so that a common understanding of the problem can be attained and possible solutions can be developed and carried out.

It was observed that the final-year students and fresh graduates lack the skills which are required to perform their jobs effectively. Also, statistically significant variances were found in the achievement of the skills required between some sets of graduate students, on the other hand, not between the groups of final-year students (Ngia, 2018). It also deliberates the aspects that could have triggered such a skills mismatch and recommends a few suggestions for improving the overall graduate skills.

An analysis made the gap in graduate skill levels between what employers believe as significant and what they undergo in actual life (Oduma and Ille, 2012). The employers pointed out that graduates lack communication skills, more importantly, written communication skills. The attitude of the graduates is irritating the employers as they feel that the present generation of graduates does not commit to the organization, which the employers feel is more important. Technical knowledge provided to the graduates is not relevant and it does not match what the workplace expects.

Several employers think that the students are not adequately prepared for the work. More than fifty percent of employers feel that finding competent candidates is challenging. The students lack in most of the hiring criteria like adaptability and critical thinking (Wei Chan et al., 2018).

It was shown that employers and universities do not communicate with each other effectively. What faculty in universities perceive as important skills required and what the employers feel as important is different. The data suggested that the universities are not preparing the graduates with the skills required by the job market (Marshall David Sundberg et al., 2011).

It is found out that business graduates have a practical view of employability skills as anticipated by employers. Employers think that social skills are more important but the students do not seem to give importance to it. The study further suggests that more importance be given by universities for developing graduates' entrepreneurial skills, arrange career fairs, conduct business lecture series, arrange leadership and professional improvement programs and give curriculum and practical training to make the students employable (Adrian, 2017).

Soft skills that are the personal characteristics that improve a person's relations, the way the job is done and job prospects are essential in the job market besides the hard skills like specialized knowledge, tools, or techniques (Radermacher and Walia, 2013). The graduates overestimated themselves, whereas the employers maintained that graduates are deficient in the required skills. Hence modifications desirable in higher education institutions and significant collaborations are important between companies and universities (Matsouka and Dimitrios, 2016).

**METHODOLOGY**

This paper is a theoretical exploration based on existing literature on the rather complex phenomenon that is graduate employability in a rapidly evolving job market. Relevant research papers relating to nature and importance and the employability skills required by the employers were carefully analyzed. Related past studies were collected from various sources like journals, articles, and journal proceedings through several online databases. Bearing in mind the purpose of the research, a qualitative analysis was conducted to critically assess the importance of employability skillset in the merging job markets, understanding the role of H.E.I.s, and determining the deficiency in graduate employability skills from the perspective of the employers.

**DISCUSSION AND IMPLICATIONS**

Employability skills are soft skills that are as essential as technical skills, which should be developed by employees in the industrial sector at present (Soundararajan, 2020). It has also been asserted by various industry survey report on employability skills requirements that graduates' skill fit leads to sustained graduate employee success and performance (Harvey, 2001; Saflund, 2001; NACE, 2013). Regrettably, not all the employees at present have the employability skills which are needed by the employers (Nagarajan and Edwards, 2015) hence this study helps H.E.I.s to examines the importance of employability skills, focus on employability skill creation, and to know employers' perception of specialization based employability skill requirements. Various employers expressed that current employees should develop employability skills and employers felt they didn't find the expected skill sets in current graduates; hence higher educations should revise courses according to the current competitive global business environment (Oluwatobi et al., 2017).

Globally there seems to be no consensus among students, academicians, and industry people regarding expected graduate skill sets (Hendrawan and Daryanto, 2019). Rather, there are divergent employability skill requirements, such as cognitive skills (Ross, 1984), interpersonal and intrapersonal skills, leadership skills, motivational skills, communications skills, entrepreneurial skills (Lumpkin and Dess, 1996), teamwork (Collet et al., 2015) and social engagements (Hinchliffe and Jolly, 2011). These are pivotal skills expected from today's graduates by contemporary employers to run their business more competitively. Moreover, graduates have to seek job opportunities in the heterogeneous industry; hence it is difficult to have homogeneous skillset requirements that fit all industries. However,
some skills such as innovation and commercialization (Cindy and Ernest, 2016) are recognized as fundamental competencies applicable to almost all industries.

A study by Archer and Davison (2008), on the important skills considered by most of the employers, compared soft skills (team-working skills, communication skills, etc.) with technical skills (degree, I.T. skills, etc.). Indeed, Hadass (2004) identified that a minority of employers are recruiting individuals based on their university's specified technical skills. Rather, most of the employers considered a degree for minimum standards to recruit a new candidate (Trent et al. 2020). Hence H.E.I.s should develop graduates with a high level of intellectual capabilities and applied practical skills which help to make graduates' work-ready'.

The results of the present study, therefore, suggests that a lack of employability skills is a major cause of unemployment among graduates of universities, colleges, and other H.E.I.s. The findings reflect the increasing desire of employers for graduates to possess soft skills such as critical thinking, problem-solving and effective communication, leadership, and teamwork. It also underscores the critical role of H.E.I.s in addressing graduate skill deficiencies. H.E.I.s have the responsibility to develop and produce job-ready graduates.

CONCLUSION AND FUTURE DIRECTIONS

This paper discussed employers' perceptions of critical deficiencies in graduates' employability skill sets. Gaps between the capabilities and the skills anticipated of graduate students tend to inhibit them from succeeding in their professions. The study results point out that graduating students should develop the practical application of technical abilities involving designing, testing, configuration management tools, and so on and personal skills like communication skills, teamwork, etc. and professional traits like ethics, values, etc. There is the scope for future research on the role of Government on promoting employability skills, the research funding mechanism for commercialization, the importance of experiential learning on the recruitment process, and the impact of H.E.I.s courses on economic development. It would be interesting to understand the employability skills gap from the perspectives of the graduates themselves.

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AUTHORS CONTRIBUTION

Conceptualization (Gopalakrishnan Soundararajan and Anitha Ravikumar); developing methodology (Anitha Ravikumar); validation (Anitha Ravikumar and Stephen Aro-Gordon); Analysis, resource collection, analysis, and original draft preparation (Gopalakrishnan Soundararajan and Anitha Ravikumar); review and editing (Gopalakrishnan Soundararajan, Anitha Ravikumar and Stephen Aro-Gordon); project administration (Gopalakrishnan Soundararajan and Stephen Aro-Gordon); funding acquisition (Gopalakrishnan Soundararajan, Stephen Aro-Gordon, and Anitha Ravikumar).

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