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THE EMPLOYERS' PERCEPTIONS OF WHAT MAKES GRADUATES MARKETABLE

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INTRODUCTION

In today's world, industries are experiencing changes more rapidly. Various factors are propelling these changes such as globalisation, internationalisation, rapid changes in technologies and intense competition. These changes have a profound impact on higher education institutions, as education is the foundation on which a competitive workforce is built. Despite some impressive improvements in performance in the higher education institutions, many students still emerge from the education system ill equipped to meet the challenges of life and employment. In the era of a new revolution in which knowledge and applied intelligence is rapidly becoming the key to national survival and success, "marketable" graduates are needed to help their organisations gain a competitive advantage. Industries are in constant need for a consistent and reliable supply of educated and skilled business graduates. On the other hand, universities have the responsibility to produce graduates that will meet the market needs or the requirements of the industries. However, universities are lagging behind in meeting the needs of the industries. In addition to that, there is a gap between the knowledge, skills, and qualities possessed by the universities' graduates and the knowledge, skills and qualities required by the graduates' prospective employers.

REVIEWS

Many observations and comments from various parties conclude that, universities are lagging behind in meeting the needs of the industries. Frank (1996) stressed the call made by many employers and organisations to make education more effective in order to equip students for their careers; Oblinger and Verville (1998) identify a major gap between corporate needs and graduates' skills; while Sneed and Morgan (1999) highlighted that although universities are producing better business graduates, employers are still unhappy with the quality of the business graduates. In addition to that, there is a gap between the knowledge, skills, and qualities possessed by the universities' graduates and the knowledge, skills and qualities required by the graduates' prospective employers. The gap between the perceptions of industry leaders and academicians was clearly mentioned in the study conducted by Nicholson and Cushman (2000). The study found a distinct gap in the perceptions of industry respondents versus the academics included in the study. While industry believes that strong affective skills such as "leadership" and "decision making" were the most desirable characteristics for future executives, the academics favors more interpersonal affective competencies and overall ranked the cognitive skills higher than the other group. Further, the study found academicians believed that their opinions would mirror those of the industry. However, this was clearly not supported.

Hence, we argue that Higher Education (HE) also has a role to play in alerting students to the full range of employment opportunities that exist on graduation. Higher Education Institutions (HEIs) can work at developing partnerships with such organisations to assist in the process of enabling both students and small businesses to realize the benefits that each can offer. Williams and Owen (1997) recommend that a better flow of information about SMEs to students might encourage more of them to consider a career in a small firm. The notion of opportunity awareness, therefore, does not rest solely in the hands of the students. Academics need to keep pace with the changes that have, and are, occurring in the graduate labour market.

The AGR (1995, p. 25) highlights graduate criticisms of academics, which considered "most educators were in a time capsule, five or ten years out of date". The reasons for students choosing to continue their formal education are no doubt wide and varied, but common to all must be the expectation that their degree and development during their courses will enhance employability in the future. The authors argue, therefore, that students have a stake in gaining an insight into the reality of the graduate labour market and understanding that their degree is not the sole means of securing employment. This is reinforced by the secondary and empirical research findings that many employers, both large and small, are seeking a "well rounded graduate" who has achieved a reasonable degree and is equipped with, and aware of, the range of skills and qualities that can be transferred to the workplace. It is argued, therefore, that curriculum development which addresses the importance of both self and opportunity awareness not only assists students to face the realities of the world of work but also similarly requires academics to do the same.

These findings suggest that HE does have a role to play in a graduate's career development. This illustrates the authors' views of how curriculum development within this area could, more formally, deliver the outcomes advocated by Dearing (1997, p. 4), namely "to inspire and enable individuals to develop their capabilities to the highest potential levels throughout life, so that they grow intellectually, are well equipped for work, can contribute effectively to society and achieve personal fulfillment".

Nabi and Bagley (1998) question how HE should respond to the challenge of preparing graduates for the world of work and thereby tackle accusations made by graduate recruiters that students entering the labour market lack personal transferable skills such as team working, decision making and general commercial awareness. They refer to the "ever growing demands to expand the curriculum" coupled with the increasing number of students entering HE as the means of providing the specific challenge "to identify which skills should be integral to the teaching process and which should be

facilitated outside the academic curriculum” From their research findings, Nabi and Bagley conclude that it is, indeed, advantageous for HEIs to offer optional skills development courses or modules, and view such courses of action as a means of enhancing graduate employability. They refer to two universities, namely Lancashire Business School and the University of Manchester Institute of Science and Technology (UMIST), which have both launched initiatives that address the issue of transferable skills development and career management. With the QAA in the UK, process having a specific performance measure aimed at assessing the ways in which universities’ prepare students for future employability, such initiatives may soon become more widespread.

The discussion will now turn to the issue of transferable skills and address two questions. First, what are transferable skills and qualities? Second, and of particular interest to any graduate entering the labor market, who values them? In 1991, The Business and Technology Education Council (BTEC) introduced common skills to be adopted by all higher education centers in the UK. The seven common skills identified and prescribed were – managing and developing self, working with and relating to others, communicating, managing tasks, and solving problems, applying numeracy, applying technology, and applying design and creativity. The role of common skills could make a difference when potential employers interview candidates with either the same or similar qualifications. For example, communication skills and IT skills could give the impression of such added capability or an extra “edge” for a candidate over the others (Laughton and Montanheiro, 1996). The results showed that the respondents (students) rank the “soft skills” (managing and developing self, working with others, and communicating) higher compared to some of the “hard skills” (applying numeracy, applying technology).

The Association of Graduate Recruiters refer to transferable skills and qualities (AGR,1995,p.4) and the Dearing Report (1997) emphasises the importance of key skills, which AGR now recognize as replacing the previously used term of core skills, whereas Harvey et al.

(1997 p. 63) refer to a “profile of attributes”. The use of different labels can be confusing. Thus, it is imperative to give definitions of what is meant by the term transferable skills and qualities in the context of this research. The Department for Education & Employment (DfEE) (1997 p. 34) provides a framework to assist in this process, which they refer to as a three-way classification of skills: key (or core) skills, vocational skills and job specific skills. Table 1 illustrates what is meant by each of these skills.

The Nottingham Trent University’s Careers Advice and Employment Service (CAES) (1997 p. 4) similarly refers to transferable skills being within the context of employment. Drawing upon findings within AGR reports and from experience of graduate recruitment activities undertaken within the university, CAES (1997 p. 18) defines individual transferable skills more extensively than the DfEE, as illustrated in Table 1.

Skill Heading	Definition
Key (or Core) Skills	Very general skills needed in almost any job. They include basic literacy and numeracy and range of personal transferable skills such as the ability to work well with others, communication skills, self-motivation, the ability to organise one’s work, and often, a basic capability to use information technology.
Vocational Skills	Needed in particular occupations or groups of occupations, but are less useful outside of these areas. While they are less general than key skills, they are nonetheless highly transferable between jobs in a given field. A simple example may be the ability to use a common computer package.
Job Specific Skills	The usefulness of these is limited to a much narrower field of employment. They are forms of knowledge rather than skills as traditionally defined and could be specific to individual firms.

Table 1: A three-way classification of skills

On the other hand, few studies attempted to identify the need of industries in terms of the skills possessed by the graduates. Loughton and Montanheiro (1996) conducted a study of the core skills required in higher education from the perspective of the students in the UK. Major findings were the complexity of common skills strategy, difficulties in the area of assessment, the different value placed by the students and the fact that the development of skills was not undertaken with sufficient reference to probable context where they could be utilized.

Dench (1997) conducted a study to find out the changing skills required by the industries. Major findings were that employers are becoming more demanding in the skills they require of their employees. It is recognized that the content of jobs is changing and that different combinations of skills and abilities are required. The evidence suggests that up-skilling and re-skilling is more widespread than any reduction in the level of skill required. Wood and Lange (2000), examines the experiences of Germany and Sweden in their attempts to develop core skills and key competencies among trainees and young employees. The study highlights the importance of employer enthusiasm in the development and delivery of core skills. Yen, Lee and Koh (2001), classifies the critical knowledge / skill set according to content or domain of knowledge by means of a survey. This is conducted in accordance with what the practitioners and educators in the IS industry can easily relate.

Transferable Skills and Qualities	Definition
Motivation	Drive and determination to achieve results and the tenacity and perseverance to attain goals in difficult circumstances.

Initiative	Ability to see difficulties and act upon them. Willingness to make things happen and to take an independent stance when necessary.
Creativity	Ability to generate ideas and options and to initiate new ideas when necessary.
Organisational Ability	Ability to establish appropriate course of action, to achieve goals, anticipate needs and set priorities.
Communication Skills	Ability to communicate clearly and persuasively, both verbally and in writing.
Teamwork	Willingness to work as an effective member of a team, involving others to forward your own ideas and solve problems, utilizing the skills of team members and being open to ideas and suggestions of others.
Interpersonal/Social Skills	The capacity to establish good working relationships with customers, clients, and colleagues is important for most work roles.
Problem Solving	Identifying problems, recognizing important data and making logical decisions.
Leadership	Having self-confidence, impact, the ability to influence others, willingness to take an independent line, and the ability to earn the respect of others.

Source: Careers Advice and Employment Service (CAES) (1997 p18)

Table 2: Transferable skills and qualities

Graduate employers seek a range of transferable skills and qualities that students need to be able to demonstrate in selection processes (CAES, 1997; Harvey et al., 1997; Williams and Owen, 1997). The fact that employers expect students to demonstrate these skills implies that they are valued in some way. The value of transferable skills and qualities, however, is not solely pertinent to employers. Other stakeholders exist: HEIs, the Government, and

students all appear to recognize that transferable skills and qualities play an important role in the context of a managed career. Harvey et al. (1997) conducted research which focused mainly on large organisations, but also encompassed SMEs, to establish the values placed on skills in the world of work and concluded that “There are large number of graduates looking for jobs and employers, as we have seen, no longer recruit simply on the basis of degree status. A degree might be necessary or desirable but employers are looking for a range of other attributes when employing and retaining graduates”.

The industry is currently occupying a high profile as a stakeholder of higher education, and many current researches have been undertaken to examine the levels and nature of satisfaction within the employment relationship, in order to ensure a better match between the needs of industry and its educational suppliers. However, most of the studies are broad based, and if any focus exists it is within the manufacturing sector, for example Spurling (1992) examined science and engineering graduates, while Nicholson and Arnold (1989) studied graduates at BP.

Little research has been carried out on the skills and qualities of business graduates especially the local business graduates. Needs and expectations may differ. In addition, the new emphasis on industry as the customer has underscored the need to identify what are the employers’ expectations of local business graduates. Unfortunately, there is lack of studies conducted in Malaysia in the context of the core skills required by the industries from the business graduates. This can pose problems in the sense that universities are in danger of producing students who lack the skills required by the industries. It is very important that the need of the industries be ascertained in terms of skills they expected of university graduates. This is due the fact that many organisations in exercising their recruitment process and internal appraisal systems are taking into account the abilities of the new recruits in terms of these generic or common skills (Dench, 1997).

METHODOLOGY

Universiti Teknologi Malaysia (UTM) sponsored this research project and was undertaken using mail surveys. Using a database, which had been compiled for the previous research undertaken by one of the authors, the population was defined as “employers that employed UTM’s business students as their employees and focusing on the Klang Valley and Johor Bahru region.” The next stage was to draw a random sample, against which Gill and Johnson (1991) state that any subsequent findings can be generalized or extrapolated. Considerations surrounding the issues of response rates and time scales influenced the decision of electing to work with the random sample size of 200 companies. Jankowicz (1995, p. 246) refers to researchers assuming “a 10% baseline as a useful rule of thumb” for a postal survey response rate.

The questionnaire was designed using a combination of quantitative and qualitative questions and comprised of three distinct sections. Section A was designed to obtain specific details about the graduate skills required for the job markets. Employers are required to rank from 1 to 7 the relative importance of the graduate skills according to their own preferences. This section is subdivided into three categories of skills namely key skills; academic/intellectual skills and personal skills. There are seven items under the key skills variable namely (1) verbal communication; (2) written communication; (3) team work; (4) leadership; (5) information technology; (6) reading skills and (7) numeracy. There are eight items listed under the academic/intellectual skills namely (1) independence; (2) business problem solving; (3) autonomous learning; (4) critical analysis; (5) application; (6) research for decision making; (7) research methods and (8) reflection. The seven items most critically required in personal skills are (1) planning; (2) time management; (3) initiative; (4) self-awareness; (5) listening; (6) adaptability and (7) negotiating.

The skills listed and their definitions were taken from secondary data research findings, namely the AGR report (1995), Harvey et al. (1997) and TNTU Careers and Employment Service

(1997).

Section B was designed to assess the perception of employers toward the skills possessed by the graduates. The employers were asked to give their assessment based on their experience in working with the graduates in their organisations. The assessment by the employers will be based on a five point Likert-Scale ranging from 1 (Strongly disagree) to 5 (Strongly Agree). The employers were asked to assess 14 items skills namely bring something new; possess mental strength; adapt to changing work; supervise subordinates; abides to the rule of time in carrying out tasks; depth knowledge in IT; carry out duties commensurate with position held; able to fit into new work environment; able to write in English; upgrade work achievement after receiving training; able to communicate in English; inclination to improve knowledge; always on time/keeps appointment and able to carry out responsibilities assigned.

Section C was designed to obtain specific details about the respondents/employers. The variables listed in this section are (1) age group (2) gender (3) level of education (4) level of income (5) years of experience with current organisation and (6) years in current designation.

SURVEY RESULTS AND INTERPRETATION

The questionnaires were distributed to employers who employed UTM's business graduates as their employees. In total, questionnaires were sent to 200 employers and 63 completed and returned the questionnaires. The response rate was thus 31.5%. The data were gathered from the 1st July up to 10th September 2004. The majority of the respondents or employers represented in the sample were from the service industry. Based on the methodology, respondents were asked to answer 36-item questions to indicate their opinions and perceptions on the graduate skills. For the analysis of control variables (mostly demographics), all the respondents were asked to

indicate their demographic profiles. The summaries of the variables are shown in Table 3.

From Table 3, the vast majority of the respondents (55 or 88.7 per cent) were in the category of age group of below 40 years old. This finding indicates that majority of them were still in the middle management level and the trend in the other variables (in Table 1) showed similar pattern. From the respondents' profiles, education level played an important role in the background of the respondents. Almost 90 per cent have higher education qualification and have experienced being in the higher education system.

Variables	Frequency	Percentage
Age groups:		
Below 40 years	55	88.7
Between 41-50 years	6	9.7
Above 51 years	1	1.6
Gender:		
Male	32	51.5
Female	30	48.4
Level of education:		
Postgraduate	17	27.9
Undergraduate	38	62.3
Pre-university	4	6.6
A-level	2	3.3
Level of income:		
Above RM50K	3	4.9
Between 30K-50K	17	27.9
Below 30K	41	67.2
Experience with current organisation:		
Up to 5 years	36	57.1
Between 6 to 10 years	19	30.2

11 years and above	8	12.7
Years in current designation:		
Up to 5 years	47	74.6
Between 6 to 10 years	12	19.0
11 years and above	4	6.4

Table 3: Respondents Profiles

Next, further analysis was carried out by performing the analysis of ranking all the factors in the data results collected from the questionnaires. As a result, the relative importance of all the factors in terms of the aforementioned three areas, “key graduate skills required for the job market,” “academic and/or intellectual skills,” and “personal skills” can be analysed. As shown in Table 4, from the key skills that graduate must possess, the top three required skills in ascending ranked order are “verbal communication”, “written communication” and “team work.” This finding is consistent with the finding of Yen, Lee and Koh (2001), who found that “interpersonal communication skills” as the most important skill for the graduates.

Variables	mean	STD	ranking
Verbal communication	2.29	1.57	1
Written communication	2.71	1.49	2
Team work	3.49	1.84	3
Leadership	3.76	2.05	4
Information technology	3.90	1.68	5
Reading skills	4.49	1.84	6
Numeracy	5.48	2.05	7

Table 4: Summary of key required skills by ranking (n=63)

This finding clearly matches with the current market trends in educational and curriculum design. From the employers' point of view, employees or graduates with strong interpersonal skills such as verbal and written communication capabilities are always preferred by the industries. Interestingly, strong knowledge in IT is not a major requirement, although the current trend is moving toward computer-mediated environment.

By further examining the ranking for academic and intellectual skills presented in Table 5, the top three possessed academic and intellectual skills listed in sequence include the following, "independence," "business problem solving," and "autonomous learning." This finding not only reinforces the findings presented in Table 2, but also provides additional information, which deserves more attention. This finding does not indicate that the technical or academic skills are unimportant. However, it was finding people with the proper combination between personal and educational background, which was often the problem.

Furthermore any categorization of skill needs especially in Table 5 will include elements of overlap. For example, the highest skill is independence, which needs both personal and technical skills. In retailing, employees need to understand the customers' needs and at the same time can provide the service supported by the use of computer for inventory and sale.

A further analysis was performed on the data set of personal skills, as presented in Table 6. The seven most critically required in personal skills are (1) planning; (2) time management; (3) initiative; (4) self-awareness; (5) listening; (6) adaptability and (7) negotiating. Clearly, the most important personal skills in today's environment are those skills in the "management" category and "communication" category. In general, the personal skills are required to enhance better communication process and task coordination in the organisation-working environment.

Variables	mean	STD	ranking
Independence	3.25	2.41	1
Business problem solving	3.29	2.04	2
Autonomous learning	3.38	1.93	3
Critical analysis	3.92	2.12	4
Application	4.29	2.11	5
Research for decision making	4.59	2.27	6
Research methods	5.24	2.33	7
Reflection	5.30	2.30	8

Table 5: Academic and/or Intellectual skills (n=63)

Variables	mean	STD	ranking
Planning	2.32	1.79	1
Time Management	2.35	1.45	2
Initiative	3.37	1.76	3
Self awareness	4.21	1.96	4
Listening	4.25	1.76	5
Adaptability	4.52	2.00	6
Negotiating	4.94	2.08	7

(1 = strongly disagree, 5 = strongly agree)

Table 6: Summary of Set of Personnel skills

Finally, the researchers asked respondents' experiences working with the graduate who are presently working with them or in their organisations especially graduates from the local universities. Table 7 summarized the finding from the analysis. By further examining the agreement of the respondents for the skills possessed by

the graduates that are working with their companies, the top four listed in sequence include the following, “able to carry out responsibilities assigned”, “always on time and keeps appointments as required by clients and higher management”, “has the inclination to improve knowledge” and “able to communicate and write in English” and “able to upgrade work achievement after receiving in service training.”

Variables	mean	STD	ranking
Able to carry out responsibilities assigned	3.98	0.79	1
Always on time/keeps appointments	3.79	0.99	2
Inclination to improve knowledge	3.75	0.88	3
Able to communicate in English	3.71	1.01	=4
Upgrade work achievement after receiving training	3.71	1.01	=4
Able to write in English	3.71	1.08	=4
Able to fit into new work environment	3.67	1.00	5
Carry out duties commensurate with position held	3.66	0.94	6
Depth knowledge in IT	3.63	0.92	7
Abides to the rule of time in carrying out tasks	3.61	0.88	8
Supervise subordinates	3.60	0.96	9
Adapt changing work	3.56	0.93	10
Possess mental strength	3.54	0.88	11
Bring something new	3.40	0.89	12

(1 = strongly disagree, 5 = strongly agree)

Table 7: Summary of employers' expectation of possessed skills by graduate

The results showed a very interesting feature: what could be described as “managing and developing self” and the general knowledge of operating business and management are still receiving sufficient attention in the field compared with other functional disciplines such as computer related fields. As mentioned by Laughton and Montanheiro (1996), the crucial issue provided from this finding is the “soft skills” such as management and business should be thought separately or integrate in curriculum design or/and across program and the extent to which all the “soft skills” should be developed across the time duration of a program.

CONCLUSION, LIMITATIONS, AND SUGGESTIONS FOR FUTURE RESEARCH

The aims of this study were to analyse the perceived and possessed skills of business graduates from the perspective of the employers. The key finding suggested that attitude of graduates when entering the job market must be in accordance with the employers' expectations. Employers gave greater emphasis on the ability of graduates to fulfill their responsibility and keep the appointments on time. The present findings also suggest that the most significant graduate skills and employer expectations were in terms of two skills: communication both in verbal and written and management skills such as teamwork and leaderships. This suggests that graduates should focus more on the development of a mix of key, intellectual, and soft skills in order that they are able to compete in labour market (Nabi, 1998). There are some limitations of the present study. First, the sample population inevitably limits the conclusion that can be drawn from the present finding, for example, graduates from one higher learning institute in Malaysia. Further research is required to incorporate a wider range of

graduates and from the different higher learning institute. Researchers can also consider whether other sources of data such as feedback from current students and employers from other industries such as manufacturing, banking, telecommunications or others. However, despite the limitation of this research, the study can be seen, as a preliminary investigation of the opportunity for increase value-added materials to strengthen the syllabus in the university's program that will be in accordance to the market needs.

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