

Driving the significance of Employability skills in Management Education

Prof. Shaheen Shariff, Dr. Prathima Bhat K

B. M. S College of Engineering, Bengaluru.

shaheenshariff.mba@bmsce.ac.in, prathimabhat.mba@bmsce.ac.in

Abstract

Businesses have become more global and dynamic in nature and employees are required to have unique skill sets which allows them to be more agile and reciprocate to the fast paced changes in the business environment. To meet the business demands, employers prefer Management Graduates over other graduates as they are well equipped with the required skill sets. Hence, Management Education has as vital contributory role to play in the global Economy. Most of the multinationals look up to MBA graduates as change agents as they are groomed to be adaptable by nature and have an entrepreneurial quotient. MBA graduates are well prepared to work out of their comfort zones and easily build rapport with the top executives. However there is prodigious gap between the demand and supply of the skill sets of the Management Graduates. It is imperative for the universities and colleges to take up exercises that will augment the skills of their Management Graduates. This paper provides an overview of the past research on the area of employability skills with respect to management education and explores the skill sets that are required by the management graduates for employment in the current scenario as well as for the future labour market. The paper also aims at providing pragmatic suggestions which can be adapted by the Indian B Schools. This study is based on the literature survey of research articles and papers as well as many educational reports.

Keywords: *Employability, Management Graduates, B-Schools, Skills, Management Education*

1. Introduction

Management Education concentrates on developing plethora of skill sets, capabilities as well as knowledge of students that helps them to graduate to be managers. In the present scenario, businesses are dynamic and competitive in nature, making it a challenge for management education and business schools to keep up with the latest trends of the market. Performance on the job and key deliverables of the candidates are emphasized, driving the importance of market driven skill sets for the students. To add on the specialist jobs also demands students to possess high soft skills such as communication and thinking skills. This paper is an attempt to shed light on the research done in the field of employability of Management Graduates and the actual practices in the field of Employability Skills. It also

reviews concepts such as employer needs and expectations and provides better understanding of Employability Skills.

In the 21st century India witnessed a paradigm change in the education system, aligning itself towards the outcome based approach. Management Education in India is relatively recent compared to the western countries. In spite of being latest, the business schools in India barring the IIMs and few Tier-I Educational Institutions, follow the traditional methods which are obsolete and lag behind the industry practices. This creates a gap between Industry and Academics in the field of Business Education. Both the industry and the academicians need work in synchrony to bridge this gap.

After the establishment of the IITs, the country felt the need of similar institutions in the field of Management Studies. Thus to fulfill this need IIM Ahmedabad and IIM Calcutta were established in the year 1961. Today India has 20 IIMs geographically spread across. In the last two decades B Schools proliferated across the country.

There are over 3500 B-Schools, majority of them are University affiliated and are governed by AICTE - All India Council for Technical Education and UGC - the University Grants Commission.

Presently good number of top B Schools in India have collaborated with international institutions to achieve both academic excellence and industry connect. All the IIMs, MDI, XLRI, IMT are some of the institutes with foreign collaborations. According to a report 'Foreign Education providers in India' on collaborative arrangements by UKERI - UK India Research Initiative, about 150 Indian Institutes are collaborated with 161 foreign education providers. Overall there are 230 collaborations. There are more than one programs delivery in each collaboration and the total number of programs delivered under this initiative are around 450. The report highlights that majority of collaborations are in the field of Management Education and are about 26%.

2. Defining Employability

The HEA - Higher Education Academy defines employability as 'set of achievements - skills, understandings and personal attributes - that enhances the likelihood of gaining employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and economy.' University of Exeter defines employability as 'the establishment of clear mechanisms by which students can develop their abilities, use and deploy wide range of skills and opportunities to enhance their own academic learning and enable them to become more employable.' Employment is different from employability, having a job refers to being employed whereas employable refers to owning the qualities which are required by the industry and individual to maintain the employment status and steady career. If the academic institutions consider the employability perspective, they should concentrate on producing graduates who are skilled and are capable to reciprocate to the industry needs. This approach will affect the Educational Institutions in terms of their

pedagogical methodology as well as the extra-curricular activities of the institutions engaged in. Basically employability is about enhancing the cognitive skills and employability should be looked at as an incremental process rather than an end product. Report titled employability and diversity by Harvey, highlights that though there are many definitions to employability, they all can be broken down into two broad areas: primarily it is all about the students' ability to gain employment after graduation and maintain the secured job. Employability also relates to strengthening graduate attributes such as knowledge skill and the attitude which equips students with critical thinking and lifelong learning. In simple terms employability can also be defined as all the skills and attitudes required to get hired and perform the work well. Enhancing employability comprises of the following aspects:

- Developing attributes critical to employability
- Enhancing of self-promotion and skills required for securing and managing career.
- Development of a learning attitude.

In other words employability can be defined as key attributes, knowledge and skills that all the participants in the labour market should have to make sure that they have all the capabilities to drive the workplace which in turn will benefit them, their employer and economy at large.

Following are the top employability skills identified:

- Management of self
- Teamwork
- Problem solving
- Communication
- Business Knowledge
- Numerical Aptitude
- Interpersonal Skills
- Technology Aptitude

Business schools should concentrate on showcasing the students' performance which would help the recruiters evaluate these skills as they are considered to be the most important ones.

Employability can be defined as the skills and knowledge which are non-technical in nature which are essential to be a part of the effective workforce. These include skills such as communication, problem solving and teamwork. This can also be referred to as generic skills that enable the core competencies.

The Government of Australia is investing on developing a new framework for skills for employability and the title 'core skills for employment' has been proposed for consideration. This framework aims to prepare people to take up work and is applicable to the whole work force irrespective of their age, gender or education as well as all the industry.

Learning and Skills Network LSN -UK report on employability, with a vision to strengthen the work being done in the area of employability skill development, recommends that guidance, advice and information should be provided with the objective of raising the bar of aspirations of the job seekers and learning aptitude of the employees.

Employability Framework should be developed in such a way that it addresses the generic transferable skills which can be applied across all the sectors, markets and geographical regions.

A system should be designed such that it focuses on building positive rather than concentrating the deficit. It should also incorporate both summative as well as formative assessment.

The vocational reforms in the education sector provides an opportunity to faster innovative and creative approaches that imbibe as well as measure the employability skills allowing employers, academicians and individuals to connect.

During the surveys conducted by organizations such as the Microsoft, Target Jobs and BBC, skills such as communication, analytical, business knowledge, teamwork, initiative, organizing skills and time management skills emerged as the most important skills for employment. Apart from the above skills multilingualism, cultural sensitivity, negotiation, self-awareness, stress management, integrity, leadership, numeracy, professionalism, decision making, interpersonal effectiveness and creativity were also be considered to be the important skills.

Many studies considered the perspective of employers on the skill requirement of the new recruits. These studies provide contrast between what universities are stressing and industry requirements. Majority of the employers agreed that soft skills were more important than the hard technical skills. Employers look for soft skills such as communication and teamwork while they hire graduates. Indeed it was found that only few employers hire university graduates for the technical knowledge and hope that it adds value to their organisation. Rather majority of the organisation perceive educational degree as a proxy to measure the competence of the graduates and set it as a minimum standard which is expected from the new recruits. These findings stress that the higher education institutes should consider systematic integration of development of employability skills and attributes within the curriculum. Students should have access to experiences that help them gain good understanding of their own capabilities and reflect on self-development and in turn improve their employability.

Many higher education institutes propose employability skills and attributes. In practice, this includes assisting the students in career decision making and in job hunt, developing employability skills as an integral part of their academic, placement assistance and personal development plan. The UKCES and universities UKCBI have collected numerous case studies where the higher education institutes strive to boost employability of their graduates.

These case studies demonstrate as to how some universities have shifted their focus of the courses taught from pure academics to integrating skill development into the curriculum which also includes equipping students with first hand work experience. Majority of these case studies are descriptive in nature, however some of them provide is with some quantitative data assessments of impacts of outcomes such as better degree, higher confidence level and more employment. Mini case studies fail to provide us with evidence that prove long term impact on the employability of the graduates. The underlying reason is that the universities do not evaluate or collect data on long-term outcomes of their actions. Some of the case studies collected by UKCBI have reported impact on the graduates' career. For example, the University of Surrey, demonstrates through its employment statistics that they have consistent rate of graduate employment and University falls in the top three for getting the students employed or pursue higher education within six months of their graduation.

3. Need and importance developing employment skills in India

In a survey conducted by a well-known website MBAuniverse.com was found that only 20% of the MBA graduates were employable. A pre recruitment survey in tier-2 B schools about key skills such as quantitative, verbal and reasoning ability highlighted that systematic alignment was required especially in the approach of classroom teaching. The survey was conducted in 30 cities, in the tier-2 Business Schools with the average of 85 MBA students in each city. Quantitative verbal and reasoning ability of these MBA students was 41%, 53% and 38% respectively. The lowest score was in reasoning ability and it should be paid close attention to as reasoning ability consists of logic data handling, analysing and data sufficiency and deductive logic. According to ASSOCHAM's survey on management Graduates employability, a sobering statics of only 10% of the Indian Business School Graduates were industry fit and were absorbed into the industry. Many of these business schools drive their admissions based on spurious salary and placement statistics as well as the discount offers on the fee structure, which in turn has tainted the management education eco system. The B Schools should bring a paradigm change and focus on integrating skill development into their curriculum and updating their courses as per the industry requirements. This sustainable approach will bridge the gap between the industry and the curriculum and help students to be well prepared to optimize on the employment opportunities.

There was a burgeoning growth of management schools in India in the last decade. Currently there are more than 3500 B Schools / Colleges offering MBA courses. In early 90s, this number was around 200. The whole focus was on building capacity of management education. This served the need of manpower requirements in specialized areas such as Marketing, Human Resource and Finance areas. This was very much required for Indian industries as they were witnessing economic success. The supply of management graduates strengthened the Indian industries by providing the required skills and manpower. However, the exponential growth though provided the quantity compromised on the quality. Hence the employability rate of the management graduates witnessed a steady decline in spite of the

existing demand. The question to be answered is ‘Do our Management Graduates have the apt skills required for employment?’ These employment skills include both soft and hard skills. Defining employability for the roles which can be occupied by the management graduates is quite challenging as they are complex and multi-dimension in nature. These skills include not just the functional expertise also interaction and people management. In any engineering role, functional expertise and cognitive skills suffice to be successful, whereas in management areas good mix of personality traits and soft skills such as language and interpersonal along with hard functional skills are required to sustain. For example, a professional with good verbal ability, logical thinking cannot be successful in a sales job if he is not an extrovert. He may succeed if he was an extrovert with less competent in verbal ability. This shows that management roles call for a mix of higher softer skills, personality match and sound hard skills.

All these form a hurdle for the employability of Management Graduates, which remains below 10% in functional domains (Finance, Marketing, HR), 15-20% in client interactional roles. For example, as per Aspiring Minds survey on Management Graduates Employability, only 7.69% of MBA Finance students get absorbed in BFSI sector though this sector has huge demand for finance professionals.

Majority of the management graduates fail to grab the employment opportunities primarily because of their verbal ability especially in English. Many of them do not get recruited because of the lack of cognitive ability, functional expertise and domain specific knowledge.

On the other hand there is a systematic flaw in the recruitment system of the Indian Corporates, while hiring the management graduates. There are above 3500 B-Schools in India, in which more than 50% of the students study in campuses which are hardly visited by the recruiters for campus hiring. Hence, these candidates form a potential pool which is invisible to the recruiters. It is the responsibility of the industry to develop a methodology to tackle with this issue and tap the talent pool so that they will be able to meet their requirements in a better way.

4. Conclusion:

This paper highlights the systematic flaws of the Indian Management Education system which has created a disadvantage to the Management Graduates. It is termed as a disadvantage because; the graduates are at loss as they are unable to get employment though there are ample opportunities in the Indian market. The B Schools are unable to equip the students with the apt knowledge as well as skills required by the Corporates in the contemporary scenario. Following are some of the suggestions which would help the B Schools to assist their students in order to gear up for employment:

- Develop an industry driven curriculum which will help the students to be updated with the current trends of the industry.

- Have faculty members who are equipped with the industry skills, so that they will be able to train the students with the industry requirements.
- Invest in increasing industry-academia interaction which will in turn strengthen the placements by having better networks.
- Have dedicated resources such as training, placement personnel and infrastructure to boost the placement.
- Provide students with both theoretical base as well as domain specific functional skills.
- Soft skills such as cognitive ability, analytical thinking, verbal and semantic ability should be incorporated in the curriculum through training and assessments.
- The B Schools should provide students with access to ICT infrastructure to enhance student's global learning.

The corporates also have a responsibility towards the management education and should make an effort to bridge the gap between the academia and industry as they are the primary beneficiaries of this effort. This requires them to invest in interacting with the B Schools and communicate their requirements and facilitate the skill development.

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