

Study of Employability gap of Business Management students with special reference to Nagpur region

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Abstract

After the liberalization Higher education sector in India has witnessed a tremendous rise in number of professional education institutes providing management education. But now days employability of graduates of these institutes is a major issue before the employers. As India's manpower will be the highest in the years to come in the global Human Resources graph, it is inevitable that these graduates should attain the right mix of skills. The purpose of this study is to explore the gap between the skills expected by the employer & skill possessed by the management students. The researcher also tried to find out student perception about the recruiters expectations, causes for employability gap. For this the questionnaire based survey of employers who are recruiting fresh management graduates, management students, and training & development officers of management institutes was conducted.

The significant skill gap found in communication skills, problem solving, leadership, critical thinking.

Keywords : Employability skills , Management , education.

Introduction

In India number of institution offering Management courses are increasing day by day. Where as the result of various researches shows that with the increase in quantity of management institutions and students there is decrease in the quality of students. In spite of availability of millions of job opportunities , industry is facing a serious talent crunch. employers expect graduates to demonstrate a range of skills and attributes in various levels, the potential job seekers who pass out with professional qualification doesn't match to their scale of expectation. The most important resource of any organization is its Human resource. The success of any organization depends upon the quality of their human resources. Although India is major source of young talent , employability of management graduates is a major challenge before the Industry today.

Employability Skills are skills that apply across a variety of jobs and life contexts. It has been found that 75% of Management graduates are unemployable. Most of the employers find it difficult to get aright talent. Due to a "skills gap" occurring in society, there is a need for higher education to place a greater emphasis on preparing graduates for the demands of industry,

The employers often state that management students are not being properly prepared for corporate jobs. There can be multiple reasons for this like poor understanding of the institute about the requirement of industry, amount and quality of efforts taken to impart the employability skills in students or the understanding & attitude of the student.

The purpose of a MBA program is to add certain qualities to the students and enable with certain skills to make them better managers and leaders (Baruch, Bell & Gray, 2005). The management institute must understand the need of industry or the skill set required by the industry and take the efforts to transform these skills in their students during the MBa program.

Literature Review

Professional skills and competences are now the core part of professional education (Coll et al., 2002). In the report by Research commissioned by the Edge Foundation, 2011, they found there is a lack of systematic practice to promote employability across HEIs (higher education institutions). employability support in HEIs should be more holistic and go beyond the set of skills that one can acquire or be taught (Markes, 2006). Responsibility to enhance employability of graduates does not lie in the hands of a single party (Lim et al., 2016) instead, an effective coordination among students, industry, professional bodies, faculty, placement officers and directors of HEIs is

needed (Ayoubi et al., 2017; Rao, 2014; Tran, 2013). Employability skills required for management graduates are language competency, cognitive skills, and functional and people skills (Nawaz & Reddy (2013)) 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. 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. Employability gap exists because of lack of skills like problem solving skills, decision making skills, communication skills, domain knowledge, leadership skills.(Prof. Preeti Nair 2015)

Objectives of the study :

- To find out the skills set employers are expecting from a MBA graduates.
- To study the gap between the employers expectations and what fresh MBA graduates possesses.
- To find out the causes for the existence of employability gap.

Research Methodology

To study the employability gap of management students researcher has used the analytical research design. The required data is collected through secondary as well as primary sources.

Primary data :To find out the employability skills expected from the MBA graduates by the industry and the employability skills actually show case by the MBA graduates while performing their job, structured interviews of 25 employers/recruiters visiting the various MBA institutes were conducted.

To study the perception of students about the employability skills expected of them by the industry & the efforts taken by the university and the MBA institutes to improve the employability of MBA students a separate structured questionnaire was used.

Secondary data: Secondary data was collected from the Books, Internet, magazines, Journals and different types of research papers etc.

Sampling

The universe of the research are the MBA students from the Nagpur region and their recruiters . In Nagpur there are 45 institutes offering MBA course hence there selected randomly. For the Industrial sampling stratified random sampling is used. Atleast five recruiters from each sector were selected. These sectors are Banking, FMCG, Retail, Insurance and Management consultants.

Findings

Employability skills expected from the MBA graduates

Employability skills are defined as attributes, competencies and technical skills used to make practical decisions in the workplace (Gibbs, 2000).

- **Communication Skills** : Ability to express or share ideas, information clearly and confidently so that it is received and understood as expected.
- **Problem solving ability:** This involves understanding of situation or problem, gathering the relevant information, analyzing and arriving out at solution. It requires creativity, critical & analytical thinking and decision making ability.
- **Interpersonal skills** : Ability of a person to develop and maintain the relationship with the people

- **Adaptability skill:** It is an ability of being flexible, reacting positively to new conditions, situation , people. Employers believe that adaptability is must to ensure the survival. It is the important skill required in today's scienario for the new graduates.
- **Leadership skills:** Leadership is to motivate others to perform their job to achieve desired goal. Leader should have team building ability, social skill, initiative skill.
- **Integrity and values:** Integrity is trustworthiness, honesty. Employers want that student should be honest with himself, company and his work.
- **Domain expertise:** student should have thorough knowledge of their functional area.
- **Listening Skill:** To be a good manger, leader, decision maker one should be a good listener.
- **Creative thinking :** student should have the out of box thinking.
- **IT skill:** Now since it is an IT era, employer expect that management graduates should be able to use various IT tool to enhance his productivity.
- **Understanding of Living Environment:** Awareness about what is happening in the word, business environment

Analysis of the employability gap

Importance of skill according to employers

To analyse the expected skills we rank the skills on the basis of mean value.

Sr. No.	Expected Skills	Mean	Rank
1	Adoptability	4.24	2
2	Listening	4.12	4
3	Problem Solving	4.32	1
4	Interpersonal	3.90	5
5	Communication	4.20	3
6	Domain Expertise	3.78	8
7	Leadership	3.85	6
8	Creative thinking	3.5	10
9	IT skills	3.4	12
10	Integrity & values	3.8	7
11	Numeracy	3.7	9
12	Understanding of living environment	3.5	11

The employers gave more importance to problem solving skills which requires understanding of situation, search of information , analysis of alternatives, situation and decision making ability. Adoptability to ever changing business environment ,

Communication skills are next important skills expected from the management graduates. Where as creative thinking and IT skills are of least important for new management graduates.

Gap between industry expected level and skill possessed by the students

Paired t test is used

Skills	Difference in Mean	Difference in Std. Dev.	Std. error mean	T	Sig.(2-tailed)
Adoptability	.2708	1.1650	0.595	4.555	.000
Listening	.0443	1.0425	.0532	.832	.406
Problem Solving	.1875	.8527	.0435	4.309	.000
Interpersonal	.0417	.4066	.0208	2.008	.045
Communication	.9115	1.6470	.0841	10.844	.000
Domain Expertise	.0182	.3346	.0171	1.068	.286
Leadership	.0495	.4025	.0205	2.409	.016
Creative thinking	.0443	1.0324	.0527	.840	.401
IT skills	-.1380	1.1376	.0581	-2.377	.018
Integrity & values	.117	1.2606	.0642	1.738	.083

Numeracy	-.0104	.9310	.0475	-	.827
Understanding of living environment	.0755	.5475	.0279	2.703	.007

In case of communication, Adoptability, problem solving , interpersonal skills, leadership, understanding of living environment, the student level is below the industry expectation. This is due to lack of experiential learning. Where as in case of listening, domain expertise, creative thinking, Integrity and values there is little gap between the industry expectations and what student perceived. In case of It skills student level is higher than the industry expectations.

Conclusion

The purpose of the study was find out the expected skill set of industry from the management graduates and find out the employability gap. The industry expect problem solving skills, adotability, listening skills, communication, interpersonal skill as the most important five employability skills in addition to the other skills namely creativity, domain expertise, IT skills , understanding of living environment , etc. But the management graduates from Nagpur specially lack in their communication skills, problem solving ability and adoptability are below the industry expectations. Which shows lack of the experiential learning. Students do not have accurate expectations of job skills and thus fail to recognize the level of competence required to work in various industries (Lim et al., 2016).

To develop the employability skills of student ,the management institutes in Nagpur should first understand the requirement of Industry , design the course curriculum accordingly in consultation with the industry experts. They should give more emphasis on practical base learning for which they can involve industry experts while implementing their syllabus.

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