COMPETENCY MAPPING AND EMPLOYABILITY SKILLS OF BUSINESS GRADUATES - AN EMPIRICAL STUDY

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Abstract

Emerging globalization, rapid increase in convergence of digital technologies, new economic challenges, and the requirement of multi-lingual proficiencies are the few defining characteristics of our world at the turn of the 21st Century. Globalization represents the strategic effort to treat the world as a single market in which to do business. These rapid changes mean that greater responsibility has been placed on education institutions to meet the challenges brought about by this new landscape. The wealth of a nation depends more on its people, management and government, than on its natural resources. Education helps to enhance the knowledge base of a nation and therefore it has a vital role to play in shaping the future of a nation. As education and training system is identified as the key points to cope up with these changes. The question is: Is business education preparing inspiring managers capable enough to cope with these challenges? It is generally believed that management creates the vital link between organizational effectiveness, economic progress, and people’s performance at organizational level. In this respect managers have to play a considerably more significant role in the overall success of their organizations and development of their nations. The present study focused on various skills and competencies acquired by the business graduates for ensuring higher success rate of employability.

Design/methodology/approach – Personal interviews were conducted with educational institutions to identify the key issues.

Findings – The study revealed a clear understanding of the factors in business education that govern the relationship between the Skills, Competencies and Employability.

Research Limitations / Implications – Result of the research will create awareness amongst the business educators to commit themselves towards skills initiatives and should work towards developing competencies and employability.

Key words: Globalization, Business Education, Competency Mapping.

1. Introduction

Business education is about facilitating learning of job-related behaviors in order to improve individual education and corporate performance. The link between competency mapping and business is relatively unexplored. The relationship between competency mapping and workforce attributes needs to be explored.
There is also a very strong need to relate skills and competencies with critical factors of success for the industry. The emphasis on skills required by employers differs depending on the nature of job role to be carried out within an organization. These skills refer to certain personal traits of an individual, which can be fit from one job role to another.

The critical success factors which contribute to the employability skills are as follows:

- Communication and Interpersonal Skills
- Information and Technology Skill
- Team Work and Team Building Skills
- Leadership Skills
- Problem Identification and Solving Skills
- Adaptability Skills
- Creativity Skills

In order to achieve the above, some of the following interventions are desirable:

- Employer involvement and engagement in higher education through particular programmes.
- Employability skills embedded into the mainstream curriculum.
- Assessment practices should link to employability skills.
- Include Personal Development and Planning modules.

2. Review of Literature

McLaughlin (1995) revealed that as the nature and look of jobs changed, the level of education and skills required also changed. Many educators faced the challenge of preparing young people to participate in the increasingly complex and changing world of work by calling on employers to articulate and communicate their needs better. Job competencies are those activities and skills judged essential to perform the duties of a specific position. The link between competencies and employee performance is very strong. The fundamental propositions that can be made are as follows:

- Competency-based applied learning will contribute to the academic knowledge, problem-solving skills, work attitudes and general employability skills of an individual.
- Provide individuals with coherent and rigorous content aligned with challenging standard relevant
technical knowledge and skills needed to prepare for emerging professions.

- Skills and Competence would lead to a higher degree of employability.

Tas (1988) defines competence as performance of duties based on one’s ability to accomplish specific job related tasks and assume the role connected to the position. Chung-Herrera et al. (2003) postulates that a competency model is a descriptive tool that identifies knowledge skills, abilities and behaviour needed to perform effectively in an organization. It is designed to help an organization meet its strategic objective through building human resources capability, competency modeling focus on behaviour rather than personality traits. Employability Skills are not job specific, but are skills which cut horizontally across all industries and vertically across all jobs from entry level to chief executive officer.

Athey and Orth (1999) a job-related competency is a set of observable performance dimensions, including individual knowledge, skills, attitudes, and behaviors, as well as collective team, process, and organizational capabilities that are linked to high performance, and that provide the organization with sustainable competitive advantage. Employers find far too many entry-level job applicants deficient in employability skills, and want the business schools to place more emphasis on developing these skills. (Baxter and Young 1982).

Charner (1988) identified and catalogued the reasons given by employers for not hiring young people for entry-level jobs, including: Low grades and low levels of academic accomplishments, Poor attitudes, lack of self-confidence, Lack of goals, poorly motivated, Lack of enthusiasm, lack of drive, little evidence of leadership potential, Lack of preparation for the interview, Excessive interest in security and benefits, unrealistic salary demands and expectations, Inadequate preparation for type of work, inappropriate background, Lack of extracurricular activities, Inadequate basic skills.

In a recent survey, conducted by Harvard Business Review on whether business schools are to blame for the current global crisis, 67 percent of the respondents felt that business schools were at least partly responsible for the ethical and strategic lapses of their graduates who spawned the economic crisis (Podolny, 2009). Despite the fact that the traditional business education model has incorporated all the major changes regarding structure and curriculum that were considered necessary during the 1980s and 1990s (Paucar-Caceres, 2008), a significant number of researchers and renowned management gurus point out the need for
restructuring and improving business education (AACSB, 2002).

Some management gurus have raised the question of business education effectiveness and they have suggested that business education in its present form does not make great contribution to excellence in management practice (Ghoshal, 2005). Hambrick (2007) reports that during the 1950s, business schools were accused of not being as academic as they should be (Porter and McKibbin, 1988).

3. Assessment Maturity Model for Competency Mapping

It is a recommended assessment maturity model that suggested for any association independent of any industry area to define, discover, determine and develop the capabilities.

LEVEL 1: Define the Competency Requirements
LEVEL 2: Discover the current state of competencies
LEVEL 3: Determine actions and development Roadmaps
LEVEL 4: Develop and manage competencies

4. Statement of the Problem

The objective of this study is to assess the level of skills and competencies and to suggest desired level which needs to be imbibed in professionals graduating out of educational institutions so as to present excellence as a primary element for future business education in an era of new challenges for employability. The study is significant as there is a need to look at the employability skill development efforts and recommend ways to help them create the employable graduates.

5. Need for the Study

The quality of manpower available in the market depends on the nature of labor markets. Universities are, and have been, significant drivers of regional economic development although some academic staff within the new corporate or entrepreneurial university is finding it difficult to adjust. There are nearly 1,800 business schools in the country producing 1 lakh management professional annually compared with strong labour markets internationally. Urgent questions remain to be addressed in relation to the general priorities and practices of those academic institutions that provide the qualifications and learning experiences of our inspiring managers and entrepreneurs. Whilst there are examples of innovative practice, including some fairly high-profile offerings, more thorough going reorientation of the business curriculum in higher
education is still the unexplored frontier. There is also an issue of mismatch of supply and demand of certain skills in the industry in India. As the supply of business graduates is larger than the demand for management positions therefore these results in mismatch of career aspirations. So there are a number of Business graduates available at any given point of time that is willing to work for low wages. In this regard, understanding the competency model for linking the business graduate attributes towards employability skills has a large scope of research.

6. Objective of the Study

The focus in the majority of business and management institutions is on reproducing and improving current practice, rather than questioning it, seeking alternatives or transforming business activity so that it takes a more responsible approach that aligns with sustainability. The present research study has been carried out based on the following objectives:

- To understand the significance of skills and competencies towards employability
- To examine the link between industry competency requirements and the current provisions for business graduates in the educational institutions

7. Hypothesis

**Ho:** "There is no significant impact of graduate attributes on employability skills of business graduates to build competency mapping in selected organizations"

**Ha:** “There is significant impact of graduate attributes on employability skills of business graduates to build competency mapping in selected organizations"

8. Methodology

8.1 Sources of data

To conduct research on the concept, an empirical method of research is deployed. For the purpose of study both primary and secondary sources of information were used. To study the practices and strategies followed to build competency mapping of management graduates for employability skills, the data was collect by using a structured questionnaire. A questionnaire prepared by using 5 point scaling technique to collect the perceptions of sample respondents. Initially questionnaire was distributed among a limited
number of samples as pilot study and revised after considering the perceptions of respondents to carry out the final survey.

8.2 Sampling

In this, convenient sampling technique is used to select the sample respondents. In order to collect the perceptions of target group i.e. business graduates, 45 samples respondents were selected on convenient sampling from the select educational institution in North Coastal A. P.

8.3 Statistical tools used

In the study the data analyzed with the help of chi square test of independence along with percentages and ratios where ever necessary.

8.4 Research Design

This study was carried out through structured questionnaire survey and discussions with industry professionals and academicians. The parameters of assessment include following aspects:

(1) Nature and content of business education:

Quality of Business education curriculum, pedagogy.

Research Orientation

(2) Skills and traits that employers value most in prospective entry-level employees.

(3) Innovative educational practices toward key skills and competency development.

8.5 Scope of the study

The scope of this paper is to focus on some of the skill sets required under a global market environment, and to provide a generalized view of the focus, strategies and procedures that are essential for reforming business education. Additionally academicians and professionals both needs to commit themselves toward skill initiatives and should work toward developing skills that would equip students with marketable competencies.

9. Variables of the Study

The research study based on the specific variables:

Employability Skills

- Communication skills
Leadership skills

Ratiocinative skills

Etiquette skills

Graduate attributes

Social/cultural background

Faculty/Institutional facilitation

Work/Industry exposure

Extra/ co-curricular activities

10. Linkage of Management Education Institutions and Students

10.1 Employability elements:

Higher educational institutions are dynamically being relied upon to pass on students that can rapidly go into the workplace and contribute new skills and knowledge that will help to drive countries towards economic development. Graduates are depended upon to change themselves from the relative comfort and routine of student life to the arranged difficulties of the workplace. Surveys such as the Business Today B-Schools rankings are to spur competition among institutions. It is competition, and not the heavy-handed government regulation, which will ultimately ensure higher quality standards across institutions in the country. The stakes for India are high. India's comparative advantage, at least over its closest competitor, China, is in its knowledge economy. At the moment, China is marginally ahead of India in the quality of its top management institutes. In the FT rankings for 2012, five Chinese management schools feature in the top 100 compared with India's two. The key success variables of a business school is its faculty student ratio (both full time and Adjunct Faculty Members are to be taken into consideration for the purpose of computing the ratio) and quality of the Faculty members. The professional excellence of the Faculty Members can be judged by their academic qualification, experience in years both in academic and corporate sectors, their number of research publications in each academic session. These publications will include authoring books, research papers presented in different national and international seminars and conferences, publications of research articles in different reputed and peer-reviewed national and international journals,
publication of real life case studies, book reviews, number of Faculty Development Program/workshops organized by the faculty Member etc. The corporate interface of the faculty members can be evaluated by the number of Management Development program and Executive Development program organized by him/her as a resource person, the number of consultancy projects handled and the number of national/international awards achieved. The other key success variables include industry interface of the institution which focuses on quality and quantity recruiters of summer interns as well as corporate recruiters coming to the campus for final placement, number of corporate visitors/industry experts visit to the campus as corporate guest lecturers and the placement conversion rate of the institute. Last but not the least, the key success variable of a business school is its alumni database and the success achieved by the alumni members in their professional life/corporate world as the alumni members are the brand ambassadors of the institutions.

10.2 Academics and Employability of the Management Students:
The correlation between the CGPA and the achievement in professional life often becomes significantly low. Scoring high percentage of marks as well as CGPA is necessary but not sufficient condition for getting good placement. A student who has scored high CGPA/percentage, maybe he is good in answering question papers/ writing skill but poor in communication skills. He/she may have domain knowledge but might be unable to express in front of the interviewer. Once Albert said that, “One needed to pack this whole staff into one’s brain for the examinations, in any case. This pressure has such a preventing impact on me, that after I had passed the last examination, I found that contemplations of any scientific problems are disagreeable to me for a whole year.” The quotation made by Albert Einstein is self-explanatory. The problem lies with the education system and models followed in India. The examination should be conducted to measure the domain, skill, intuition as well as knowledge of application. The question paper should be prepared in such a systematic way, which will not only judge the memory of the students, but also should evaluate whether the student have achieved the required analytical ability and the learning outcomes for which the course is being offered. Perceived competencies and employability level of management students
10.3 Quality of Employability

The quality of the final placement should be judged on the basis of certain parameters -- compensation package, job profile, location, security, growth opportunity and brand equity of the organization. The compensation package can be measured by CTC. The salary expectation of the students varies from one business school to another. The compensation should be such which can meet the financial breakeven of the students. The students who are studying MBA in a State Government University, they are ready to accept comparatively low CTC job as their investment in MBA is also low. The students who are studying in private business Schools or different IIMs have to incur huge tuition fees. The fee is being financed by the bank loan in majority of the cases. As a rational individual, they will expect a minimum return on investment which ensures after repaying the EMI, certain surplus disposable income they can appropriate to maintain a minimum living standard. The profile is one of the major areas of concerns to judge the quality of the employability.

10.4 Qualities expected by the organizations

- Highly competent, motivated, innovative approach, negotiating skills
- Great public relations ability and interpersonal skills, fair personality, smartness, good academic records
- Creativity, exceptional conceptual, analytical, extremely good and active contacts within the industry
- Good track records of success, go-getter, dynamic in nature
- Quality of people is a key determinant of success in a rapidly changing world.

10.5 Bridging the gap between industry-academia

The done way for the academia and the industry is to work together on research. We need to study the transformations occurring both in the industry due to globalization, technology, the impact of smaller families, and entry of women in education as well as industry and their successes. There is much research required to understand transformations and their impact on the employee industry interface. With the findings of the research, both academia and industry can design appropriate interventions to be more effective and meaningful. Aspirations, ambitions, and life spaces all require understanding so that the academia, students and industry can collaborate to design relevant inputs in education and good practices in organisations so that the employees and organizations can focus on growth.
11. Empirical Analysis of competency mapping of MBA graduates towards employability skills:

The study has been analysed using independent variables influencing employability skills and the dependent variables drawn from graduate attributes. The survey is drawn from business graduates of select management educational institution.

The following table represents the demographic details of respondents:

11.1 Summary of Respondents demographic characteristics:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Sub Group</th>
<th>Percentage Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic performance in UG</td>
<td>&gt;75%</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td>60%–75%</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>&lt;60%</td>
<td>17%</td>
</tr>
<tr>
<td>UG qualification</td>
<td>Commerce and management</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>Science &amp; Engg.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>others</td>
<td>15%</td>
</tr>
<tr>
<td>Medium of instruction in UG</td>
<td>English</td>
<td>55%</td>
</tr>
<tr>
<td></td>
<td>Telugu</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>others</td>
<td>10%</td>
</tr>
<tr>
<td>Locality of education</td>
<td>Rural</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>30%</td>
</tr>
<tr>
<td>Experience</td>
<td>Fresher</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Work experience</td>
<td>20%</td>
</tr>
</tbody>
</table>

11.2 Chi square analysis of competency mapping of business graduates towards employability skills:

<table>
<thead>
<tr>
<th>Employability Skills</th>
<th>Social/ cultural background</th>
<th>Faculty/Institutional facilitation</th>
<th>Work/ Industry exposure</th>
<th>Extra/ co-curricular activities</th>
<th>Column Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication skills</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Leadership skills</td>
<td>6</td>
<td>12</td>
<td>9</td>
<td>9</td>
<td>36</td>
</tr>
<tr>
<td>Ratiocinative skills</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>36</td>
</tr>
<tr>
<td>Etiquette skills</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Row Total</td>
<td>33</td>
<td>39</td>
<td>33</td>
<td>30</td>
<td>135</td>
</tr>
</tbody>
</table>
## Expected Frequency

\[ E = \frac{\text{Row total} \times \text{Column total}}{\text{Grand total}} \]

<table>
<thead>
<tr>
<th>Employability Skills</th>
<th>Graduate attributes</th>
<th>Column Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Social/cultural background</td>
<td>Faculty/Institutional facilitation</td>
</tr>
<tr>
<td>Communication skills</td>
<td>8.07</td>
<td>9.53</td>
</tr>
<tr>
<td>Leadership skills</td>
<td>8.80</td>
<td>10.40</td>
</tr>
<tr>
<td>Ratiocinative skills</td>
<td>8.80</td>
<td>10.40</td>
</tr>
<tr>
<td>Etiquette skills</td>
<td>7.33</td>
<td>8.67</td>
</tr>
<tr>
<td><strong>Row Total</strong></td>
<td><strong>33.00</strong></td>
<td><strong>39.00</strong></td>
</tr>
</tbody>
</table>

### 11.3 Chi square analysis

\[
\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}
\]

\[
\chi^2 = 2.78
\]

Degree of freedom = \((r - 1) \times (c - 1)\)
DF = (4-1)*(4-1) = 9

\( (P \text{ value}) \text{Table value}=8.34 \)

11.4 **Interpretation:** from the analysis, since the \( \chi^2 \)-value (2.78) is less than the table value 8.34 at significance level (0.05), null hypothesis is rejected. Thus, we conclude that there is a relationship between employability skills and graduate attributes to develop competency mapping.

12. **Recommendations**

Based on interpretation following are the recommendations in terms of match between competencies, Skills and student employability:

- Management curriculum need to be revised at both graduate and post graduate level. Curriculum should also link with Experimental and Action learning.
- The educational curriculum could be likewise changed into a skill and aptitudes based educational curriculum. For this Conducting induction programs to comprehend the changing desires of the industry with the end goal of developing course substance and preparing students for same.
- Faculty members should be given opportunity to enhance their knowledge related to Sustainable Development, permitting them to apply learning about supportability issues in real life.
- Simulation and business cases have to be used in every subject to give the student the feel of the subject in real life. Management games and role playing play a crucial role in developing the competencies required in real life.
- Students should be focused towards employability from the very first day of their college. They must be having clear idea about the skills and competencies required by the industry and spend the next two years in grooming themselves on a continual basis. The students should also develop professional links with their prospective employers to better understand and appreciate their expectations.

13. **Conclusion**

The research study has been analysed to assess the factors for building competency mapping between graduate attributes and employability skills. It has been identified that majority of the employability skills are based on industry exposure of the business graduates in terms of projects, internships, industry visits etc which builds the competency mapping in the industries.
14. Further Scope of Study

The study is limited to the business graduates in north coastal AP. Result of the research creates awareness amongst the HR professionals. Also it can be applied by the management education institutions to commit themselves towards skills initiatives and should work towards developing competencies and employability of management graduates.

References:

2. AACSB (2002), Management Education at Risk, Association to Advance Collegiate Schools of Business


