

Employer's Expectations Versus Performance of Fresh Graduates: Business Schools

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Abstract

The purpose of this research paper is to determine the gap between the performance of fresh graduates and employers' expectations through KSA (knowledge, skills and abilities) approach in service industry. The banking sector was chosen for this research. The core area covered in this research were Attitudes, Knowledge and Skills, a company anticipates from fresh graduates. Questionnaire for the survey was designed to assess the gap on these three major variables. To analysis the findings, T-Test & regression were applied. The findings indicated that the gap does exist between the expectations of employer and performance of fresh graduates. The results of the findings can be significant for both the employer and fresh graduates to implement remedial measures. Universities can also work on these areas to polish up the skills of graduates. Furthermore, corporate world should also keep their expectations within the realm of reality. Secondly, they too are responsible to develop the capabilities of graduates. The conclusion lead to recommendations that business schools as well as employers need to review their teaching methodologies and development programs to enhance the skills and competencies of their employees.

Keywords: Attitude, Employer Expectations, Fresh Graduates, Knowledge, Skills.

Introduction

Education is the key to achieve professional goals. It provides knowledge to sustain one's self in this competitive environment. Today higher educational institutes are facing different challenges to equip graduates with correct competencies and attitudes required

by the corporate world. On the other hand, most business schools follow a traditional approach while designing the curriculum following a stereotype approach as advocated by the western business schools. In fact, the contemporary approach should be to identify the attributes and levels on knowledge, skills

and attitudes before reviewing changes in the curriculum to develop a graduate with right combination of these three skills to satisfy the “all round person” desired by the corporate world.

In the global era where every year thousands of MBA graduates are entering the market, employers are seeking for the appropriate talent. Only those graduates who have an edge in skills and competencies for the current job market would be successful. It is observed that the employers are unable to find fresh graduates with the required skills. The research focuses on only those attributes which are expected by the employers. A gap analysis has been conducted against the expected attributes and current performance of the newly employed graduates to determine the extent of deficiency.

Literature Review

Conceptual Grounding

With a high influx of graduates entering a dwindling job market every year, employers are vying for the best. Their expectations that their demand would at least be fulfilled from this high supply when it meets with disappointment raises eyebrows about the standard of higher education. In Pakistan's context, a number of studies have been conducted dealing with the issue of shortages of skills among university and college students.

The FEG (Planning Commission, 2011) comprehensively covered the issue of skill shortages and mismatches among youth in Pakistan. A list of factors has been identified

for this mismatch; including a weak university-industry-professional nexus, inadequate internship programs, absence of youth development programs at the provincial level, irrelevance of curriculum to market demand, lack of professionals to train youth and too little focus on youth by the government. The FEG argued that youth should be seen as a solution not a problem and measures be taken to improve youth employment.

The attributes of knowledge, skills and attitude such as oral communication, enthusiasm, working with others, self-starting ability and knowledge of the job were highlighted by Knoblauch & German (1989) in one of their research on graduate attributes based on employers' perspectives. Clarke (1997) highlighted few generic skills in one of his studies. These are problem solving, decision making, communication, initiative and teamwork.

In today's competitive world employers are seeking graduates with right levels of skills and knowledge but also with the tendency to identify and respond to problems. Scans (1991) highlights that employers seek candidates with definite expertise, attitudes and behaviors to be their prospective employees. Majority of the employers prefer human resources which are self-motivated, exhibit necessary abilities like creativity, problem solving, effective management, teamwork, leadership skills, interpersonal skills, and possess higher performance standards with sense of responsibility, self-management and integrity.

According to Nutriaaharudin & Aion (2004) in Malaysia, many employers are looking for graduates who balance good academic achievement with 'soft skills' such as communication skills, problem solving skills, interpersonal skills and the ability to be flexible. Quek & Soon (1999) affirms that the major advantage employers seek in today's competitive world is the skills possessed by the graduates to create success in their business and work place

Farooq (2011) measured job mismatch in Pakistan from three dimensions: level of education, field of education, and skills. The author concluded that either educational institution is producing graduates irrelevant to market demand, or it is developing inadequate skills among students viz a viz the market requirements. Further, criticizing the adequacy of existing labor force surveys, a regular occupational census in Pakistan was recommended to support policy makers in coping with job mismatch problems and achieving decent work - related targets of the ILO.

Jabeen (2011) studied the mismatch between graduating university students' perception and employers' expectations regarding skills that qualify them to be employed. By applying non-parametric techniques, the study found significant differences between employers' expectations and students' perceptions about the needed skills. More importantly discipline, positive attitude, punctuality, time management, and oral communications are the skills highly ranked

by the employers that are significant.

The British Council (2009) conducted a survey of 1,226 respondents aged 18-29 years from Punjab, Sind, NWFP (Khyber Pakhtunkhwa), Baluchistan, and AJK for qualitative research on youth aspiration to transform Pakistan into a prosperous nation.

The study found that 50 percent of respondents believed that they lacked skills required by the modern labor market. Even educated youth were found struggling for decent work due to corruption and discrimination (cit).

Employability

The definition cited by Hillage & Pollards (1998) of employability is the ability of an individual to gain initial employment, and then try to retain it. According to Yorke & Knight (2004) graduates are more accepted by the industry if they possess a sense of achievements i.e. skills, knowledge and other attributes which not only benefit them but also the community.

Employability is the collection of characteristics like (skills, ability and knowledge) possessed by fresh MBAs which are likely to provide them with their choice of profession. Therefore, it depends on the fresh graduate to obtain the facts about talent, aptitude, and other individual traits valued by existing and potential employers. (Kumar & Jain, 2010).

Brennan, Johnston, Little, Shah, & Woodley (2001) suggested that behavior of the

graduates under pressure; oral communication skills; time management; initiative; team working skills; taking responsibility and organizational knowledge are valuable skills needed for employability.

KSA Approach

KSA approach deals with three major areas. First is the knowledge which explains various sub variables. Few of them are knowledge about the environment, knowledge about the organization and the processes within the organization, products or services including those of competitors and the behavior of the consumer. Second component is skills which a newly hired graduate must possess; such as analytic skills, communication (verbal and written), presentation skills, team work and collaboration, selling skills and conflict resolution. The third component is attitude which is judged by the employer. Attitude consists of sub variables such as aptitude and willingness to learn, creativity, self discipline, self-motivation, commitment and dedication. In this research we have mentioned those sub variables which are considered the most essential in service industry and the questionnaire has been designed on these variables.

Employer's Expectation

The expectations of the employer have changed with the new emerging trends of the industries. Today newly hired MBAs are not judged on their academic performance or technical and behavioral skills but on a new set of non-cognitive skills which has taken precedence. The way of looking these skills has changed but the concept still exists. To-

day, the business world and the market are working on the same grounds of localized global platform. The extensive competition and continuous change requires innovative approach to meet the skills and competencies needed by the employers. Employers are seeking for the candidates who have the capability to own the job itself and display a role beyond the expectations of the organization. It is observed that students are not developed with these two key areas side by side.

One is theoretical and the other is practical. They are equipped with the academic knowledge but they lack in knowledge about the industry. They are prepared theoretically but not practically.

According to Rajni (2011) new comers at workplace need to be adaptive enough to build their mindset with learning trends of the industry, willing to work in a team as a team player, have the ability to look at the bigger picture, and not only stick to the responsibilities given by the organization but have the adoption to take initiatives in a proactive manner.

Conceptual Framework and Hypothesis

Based on the above discussions and the objective of the study, a conceptual framework is developed, which is presented as Annexure-1, and derived hypothesis are presented below:

H_{1A} : There is a significant difference in employee's actual attitude and employer's expected attitude

H_{1B}: There is a significant difference in employee's actual skills and employer's expected skills.

H_{1C} There is a significant difference in employee's actual knowledge, and employers expected knowledge

H₂; Employee's actual knowledge, attitude and skills positively effects actual performance.

Methodology

A sample size of 280 respondents comprising managers and supervisors from 10 organizations was decided to be examined. The instrument used for data collection was a structured close-ended questionnaire.(Attached exhibit A)

The instrument was divided into three sections Section A, comprised of 15 competencies considered important attributes by the banking industry. Section B, comprised of same competencies to be evaluated with reference to the performance of the business graduates and Section C focused on respondents' individual information.

Usually it was quite quick to collect infor-

mation using a cost effective method. The sources of questions were pertained from the variables which comprise employers expectations related to the performance of business graduates. The major aim of the questionnaire was to resolve the gap between the perceived and actual performance on those variables in the banking industry.

Independent t test and regression analysis was used for testing the hypotheses. Independent T test was used to find the gap between the variables hypothesized in H1a, H1b, and H1c. Regression analysis was used to find the relationship between the independent variables (actual attitude, actual skills, and actual knowledge) and dependent variable (expected performance).

Results

Descriptive Statistics

Descriptive statistic was carried out for ascertaining the normality of the data. Summarized results are presented in Table1:

The Table 1 shows that the newly inducted graduates expected attitude (M=4.07,SD=

Table 1: Descriptive

	Mean	Std. Deviation	Skewness	Kurtosis
Attitude (Expectation)	4.07	.67	-.68	-.47
Skills (Expectation)	3.83	.68	-.30	-.69
Knowledge (Expectation)	3.70	.71	-.37	-.02
Attitude (Actual)	3.61	.71	.12	-.80
Skills (Actual)	3.45	.90	3.42	24.90
Knowledge (Actual)	3.40	.81	.40	-.93

.67) has the highest Skewness (-0.68), and their Skills (M= 3.83, SD=0.68 has the lowest skewness (-.30). Similarly the actual skills (Mean= 3.45, SD= 0.90) of new inducted graduates has the highest Skewness (3.42) and their actual attitude (M= 3.61, SD= 0.71) has the lowest Skewness (-0.12)

In case of Kurtosis expected knowledge (Mean= 3.70, SD= 0.71) is the lowest (-0.02) and expected skills (M= 3.83, SD= 0.68) has the highest Kurtosis (-0.69). Similarly the actual skills (M= 3.45, SD= 0.90) of new inducted graduates has the highest Kurtosis 24.90) and their actual attitude (M= 3.61, SD= 0.71) has the lowest Kurtosis (-0.80)

Actual and Expected Attitude

Hypothesis (H1A) on actual attitude (3.61, SD=.0.71, N=280) and expected attitude (4.07, SD=.0.67, N=280) of newly inducted graduates tested through independent t test and was significant different $t(558) = -6.97, p = 0.0 < .005$

Actual and Expected Skills

Hypothesis (H1B) on actual skills (3.45, SD=0.90, N=280) and expected skills (M=3.83, SD=.0.68, N=280) of newly inducted graduates tested through independent t test and was significant different $t(558) = 5.730, p = 0.0 < .005$

Actual and expected Knowledge

Hypothesis (H1C) on actual Knowledge (3.40, SD=0.81, N=280) and expected knowledge (M=3.70, SD=.0.71, N=280) of newly inducted graduates tested through independent t test and was significant different $t(558) = 3.97, p = 0.0 < .005$

Effect on Expected performance

Multiple regression analysis was used to the effect of actual attitude, actual skills and actual knowledge on expected performance. The summarized results are presented in Table 2

The results of the regression indicate that the three predictors attitude (3.61, SD=.0.71,

Table 2: Summarized Regression Results

Variables	Un standardized Coefficients		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
(Constant)	2.097	.161		13.011	.000
Attitude	.199	.070	.231	2.828	.005
Skills	.126	.041	.185	3.074	.002
Knowledge	.182	.062	.244	2.943	.004

Note1 dependent variable expected performance, $R = .576, R^2 = .331, \text{Adjusted } R = .324.$
 $F = (3,276) = 45.584 < .05$

N=280) actual skills (3.45, SD=0.90, N=280) and actual Knowledge (3.40, SD=0.81, N=280) explain 32.4% the variance towards expected performance ($M=6.482$, $SD=1.021$), ($R^2=.0324$, $F(3,276)=45.584$, $p<.05$), which according to Cohen (1998) is a large effect.

The predictor knowledge ($\beta = .244$ $p<.05$.) is significant predictor of employees performance followed by attitude ($\beta = .231$ $p<.05$) and skills ($\beta = .185$ $p<.05$).

Discussion:

The results discussed above shows that there are significant difference between expected and actual knowledge, expected and actual skills, and expected and actual attitude. These hypothesized results are consistent with the study done by Nicholson and Cushman (2000) which also found there is a difference in expectations of the industry from the performance of fresh graduates.

Additionally it was found that actual knowledge was the strongest predictor of expected performance followed by skills and attitude. All the hypotheses failed to be rejected. These findings are consistent with the earlier studies (ISOS survey, 2010; Sengupta, 2010).

Implications and Recommendations

The research suggests that the most important area for the industry were attitude, followed by knowledge and skill. The industry expectations are quite high. They want business graduates equipped with proper knowledge, attitude and skills. To reduce the gaps, both the business school and corporate

has to take a step in order to achieve desired outcome. Business schools need to work on these following areas: practical learning, relevant case studies especially Pakistani based case studies and curriculum based on corporate demand. It is suggested that business schools should focus on critical thinking methods in order to meet industry requirements. Furthermore this learning must be assessed by the business schools in the form of assessment criteria, so that a clear picture can be viewed in the form of learning curve and how much in percentage the skills had been transferred.

On the other hand it was recommended for the corporate to introduce internship programs in summer which are beneficial for these business graduates learning experience. These internships must be given in their field of choice so that they can enhance and polish up their skills. Opportunities in the form of internship can lead these MBAs to gain more industrial knowledge with practical input. As this is the key area where employers demand is very high, line managers during the probation time period should send these graduates for the training programs which could help them to enhance their skills on the job. The other way could be done by collecting the data of these graduates during the interview and the selected candidates afterward should be trained for the weaker area among KSA.

In general, the corporation must understand that what are their expectations from these business graduate on their respective jobs. Those expectations should be genuine

rather than exceptional. While the business schools should also counsel the students in understanding how much important the beginning years of their job would be and these initial years can lead them towards success.

It was also observed that the gap between expectations and performance regarding attitude, knowledge and skills exist because the business graduates do not feel themselves rewarded truly for their work as they put

their efforts. And they start thinking that the degree they have earned is not enough to provide them with proper rewards.

Furthermore, both the corporate and new business graduates need to focus on long term vision rather than short term. Equal employment opportunity should be provided by the employer. The employment history of the employer is also one of the factors where their expectations do not match.

Exhibit A

Questionnaire
Section A

This section consists of questions related to Level of importance of the attributes needed by the industries from business graduates

1. Mark the area of specialization in which you hire graduates. (you can mark more than one area)

- Finance Marketing Human resources/ personnel management
 Information technology other areas

2. Expectations regarding fresh graduates by the employers(tick only one in each case)

Attitude	Not at all important	Un important	Neither imp nor un important	Important	Very important
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Knowledge

Skills

Attitudes

3. Employer expectation of newly hired graduates by attitude, skill and knowledge.

Attitude	Not at all important	Un important	Neither imp nor un important	Important	Very important
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Aptitude and willingness to learn

Creativity

Self-discipline

Self-motivated

Commitment and dedication

Skills

Analytic skills

Communication (verbal and written)

Presentation skills

Team work and collaboration

Selling skills

Conflict resolution

Knowledge

Environment

Organization and processes within it

Products//services including those of competitors

Consumer behavior

Section B

This section comprise questions related to Level of importance of the attributes needed by the industries on the performance of fresh business graduates

1. Performance assess for each expectation

	1 (poor)	2 (fair)	3 (satisfactory)	4 (good)	5 (excellent)
Knowledge					
Skills					
Attitudes					

2. Performance assessment of newly hired graduates by attitude, skill and knowledge.

Attitude	Poor	Fair	Satisfactory	Good	Excellent
Aptitude and willingness to learn					
Creativity					
Self-discipline					
Self-motivated					
Commitment and dedication					
Skills					
Analytic skills					
Communication (verbal and written)					
Presentation skills					
Team work and collaboration					
Selling skills					

Conflict resolution

Knowledge

Environment

Organization and processes within it

Products//services including those of competitors

Consumer behavior

Section 3: Personal information

1. For how long have you been in this organization?

Less than 01 year 1 – 3 years 4 – 6 years 7 – 9 years 10 years or more

2. Your operating level

Top Management Middle Level Management First Line Operating-level

3. Education

Post Masters Masters or Equivalent Bachelors or Equivalent

Name _____

Organization _____

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