



Employability Gap: A Bottle Neck in the Progress of Organizations, a Study to Find Out the Opinion of Employers Regarding Employability Skills for Management Students in the State of Gujarat

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ABSTRACT

Higher education sector in India has witnessed rapid growth as a result of ever expanding market demand for professionals due to global trends. The aim today is to produce working managers, not MBA. Thus it is highly needed to find out if an employability gap exists among the employers and students in the area of management study. This paper attempts to find out the opinions of employers from different sectors on Employability skills required by management students. An effort also has been made to understand which skills are most essential for management students when they join organizations. This paper also focuses on directions which can be adopted to reduce the employability gap by highlighting the desired competencies and suggesting methods for achieving the same.

KEYWORDS : Employability

❖ INTRODUCTION

In the present dynamic and increasingly competitive economic environment, business organizations were more focused on what they require as human capital – being employed alone is not sufficient, one must be employable (or effective) throughout one's career. The difference in the employed figure and requirement shows that there is a widening gap between the expectations of corporate and product generated by Management Institutions. Employability of MBA graduates across specializations is at a dismal low, says the National Employability Report MBA Graduates, Annual Report 2012 by Aspiring Minds. While employability is below 10% for functional role in the field of HR, marketing or finance, in business consulting roles, it is as low as 2.5%. (ET Bureau Oct 15). Management education has witnessed a mushrooming growth in India from just about 200 MBA colleges in the early nineties to around 3300 MBA colleges today. But only a small fraction of them are "employable," or possess basic skills necessary to work in sectors ranging from marketing to finance. According to a nationwide study of marks secured by 2,264 management graduates, while MBA seats have increased by 30 per cent since 2007, recruiting companies found only that only 21 per cent business school graduates were employable. The paper by ASSOCHAM claims, only 10% of the graduates are actually employable despite the robust demand for MBAs..

❖ RESEARCH METHODOLOGY

➤ Objectives:

- 1) To identify the employability skills of MBA Students desired by the employers in the state of Gujarat.
- 2) To identify the measures that can be taken to improve Employability Skills from the perception of two different professions.
- 3) To identify there exist a relationship between the perception of professions and importance of employability

➤ Type of study : Descriptive research design

➤ Sampling design: Convenient Sampling Method is used.

➤ Sampling size : 30 employers from different sectors in the state of Gujarat are surveyed as respondents

➤ Research instrument: Closed and open ended structured questionnaire was circulated among students and employers.

➤ Data collection method : Primary data- Collected by questionnaire method and Secondary data

➤ Data analysis tools : Excel, Charts, Chi-Test, Simple Average Method

❖ DATA ANALYSIS

A) FREQUENCY ANALYSIS

- Nearly, 13% and 33% highly agree and agree, 27% Disagree and 27% neither Agree nor disagree that there is match of educational background and competencies of MBA students.
- Nearly 10% and 60% respondents highly agree and agree respectively, that MBA institutions of India are able to provide profes-

sional managers, whereas 20% are neutral and 7% and 3% disagree and strongly disagree.

- 50% respondents believed employability skills are important because employers generally view employability skills, along with technical skills, as highly desirable for employees. 13% respondents are of the opinion that Employability skills can assist employees gain jobs, perform effectively at work and win promotions and 37% are of the view that Employability skills can lead to success in other domains in life.
- 27 % and 63 % strongly agreed and agreed respectively and said students of MBA are able to develop their competencies from the opportunities given to them from their MBA institutions where as 3% were neutral and 7% disagreed.
- Nearly 27% said yes and 23% said no for been able to recruit MBA students with the right skills, while 23% responded sometimes/rarely and 27% said moderate.
- 17% employers state that conceptual thinking is the most important Employability skills while 14% states that analytical thinking is 2nd most important. 3% states interpersonal understanding is less important while 1% states that impact and influence is the least important employability skill.
- 17% of the respondents state that team working skills is lacking in the management students while 14% states that decision making skills are lacking. 13% of respondents states that innovation is lacking while 1% states that business/ self awareness is lacking which is resulting in to employability gap.
- 23% of the respondents highly agree, 64% agree and 13% disagree that there exist employability gap between the students and organizations expectations.
- 23% said training and development in the organization is the intervention to enhance the competencies of MBA students, 10% believed its group discussions, 17% said its personality development program/session. Whereas 37% responded it's because of proper orientation before placing in organization, 10% and 3% said its seminar and other factors respectively.
- 13% states that team working competencies can be enhanced while 16% states that decision making skills can be enhanced after they join the organization. 12% states that problem solving competencies can be enhance while 14% states can communication skills can be enhanced after they join the organization.
- When MBA gets recruited in the organization, 20% of them expect job security, 37% expects job profile, 27% expects salary and benefits, 3% expects proximity of the organization from home and 10% and 3% expects opportunity to going abroad and doing the projects and other factors respectively.
- Nearly, 7% and 50% highly agreed and agreed while 3% are neutral and 40% highly disagreed that organizations are satisfied with the performance of the MBA students.

B) HYPOTHESIS

CHI-SQUARE TEST

H0: There exist a relationship between the perception of professions and existence of employability gap.

H1: There does not exist a relationship between the perception of professions and existence of employability gap.

Column1	1	2	3	4	5	Total
Students	14	44	8	4	0	70
Employer	7	19	4	0	0	30
Total	21	63	12	4	0	100

Chi - Square Test Expectations:

O	E	(O-E)	(O-E) ²	(O-E) ² /E
14	14.7	-0.7	0.49	0.03333
7	6.3	0.7	0.49	0.07778
44	44.1	-0.1	0.01	0.00023
19	18.9	0.1	0.01	0.00053
8	8.4	-0.4	0.16	0.01905

C) WEIGHTED AVERAGE MEAN

Area of specialization employability skills that is most important

scale	respondent	%	weight	Rank	
A. negotiation/ persuasion	2	3	0.026	3.2105	
B. people skills & networking	9	11	0.092	6.8157	
C. problem solving skills	6	9	0.079	20.8421	1st
D. decision making skills	18	26	0.118	19.8947	2nd
E. domain knowledge	10	14	0.105	16.42105	4th
F. business/work ethics/ honesty	2	3	0.079	13.5789	6th
G. communication	6	9	0.079	17.05263	3rd
H. tolerance to stress/ emotional resilience			0.053	10.8421	7th
I. timekeeping			0.039	9.31578	8th
J. analytical skill	3	4	0.039	8.2894	9th
K. risk taker			0.013	1.9736	
L. assessment skill	4	6	0.053	2.63157	
M. general & business awareness	1	3	0.013	2.447	
N. adaptability/ flexibility			0.026	6.789	
O. team working skills			0.026	7.316	10th
P. logistics management administration	1	1	0.013	1.763	
Q leadership skills	5	9	0.066	14.737	5th
R. basic sales and customer service			0.026	1.579	
S. innovation/creativity/imaginative	3	3	0.013	3.342	
T. committed to responsibility			0.013	2.711	
U. numeracy skills			0.013	1.184	
V. forecasting skills			0.013	2.105	

Table: It indicates the preference towards the skills by the Employer as the most important

Inference:

- The highest weight is given to the problem solving and the lowest rank is given to the team working skills

❖ **SUGGESTIONS & CONCLUSION**

Thus we conclude that there exist employability gap existing between the employers and MBA professionals. The employability gap exist because, some of the required skills to get employed are lacking in MBA students of Gujarat. Teachers should motivate students make them conceptual clear in their subject knowledge. Thus skills of teachers also play an important role in the competencies of students. Measures should be taken to develop/improve the skills like domain knowledge; general awareness, networking, timekeeping and problem solving sessions must be taken as students lack these skills. Personality development program/session must be carried out in organization as well MBA institutes of Gujarat to reduce the existing employability gap. Employers should try to collaborate more with the

4	3.6	0.4	0.16	0.04444
4	2.8	1.2	1.44	0.51429
0	1.2	-1.2	1.44	1.2
0	0	0	0	0
0	0	0	0	0
			Total	1.88964

Degree of Freedom = (R-1) (C-1) = (2-1) (5-1) = 4

At 5% significance level, table value = 9.49

Null Hypothesis	Chi-Square Value	Table Value	Accept/Reject
There exist a relationship between the perception of professions and existence of employability gap.	1.88964	9.49	Accepted

Inferences:

The calculated value of chi-square is **1.88964** lesser than the table value i.e. 9.49 Therefore the null hypothesis (H0) is accepted. This implies that there exist a relationship between the perception of professions and existence of employability gap.

local education and training providers & the private sector employers must play an active role within the skills system. Thus there should be prime focus on the factors affecting the employability skills of management students like Curriculum, Quality of Teachers, Educational Facilities, Institutional Infrastructure and others.

❖ **LITERATURE REVIEW**

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