

Understanding the Impact of Educational Background, Work Experience & Communication Skills on Salary Offering



Management

KEYWORDS : Placement records, Variable, Analyzed, Significant effect, Communication skill & Salary offerings

HEMANT ARJUN ANBHULE

Assistant Professor, Sinhgad Institute of Business Administration & Computer Application, Kusgaon (Bk.), Off Mumbai-Pune, Expressway, Lonavala, Dist. Pune Maharashtra, India

ABSTRACT

Most of the students now consider placement records of the institute before taking the admission in that institute. By considering this above title is finalized to find out the each variables relation to salary offering for MBA students. For this study 50 MBA pass out students are considered from different Business Schools from pune city. Information which is collected that analyzed with the help of F test. The result shows that, educational background has a significant effect on salary offerings of MBA students, $F = 19.645$ & $p < 0.05$. Also previous work experience has a significant effect on salary offerings of MBA students, $F = 7.902$ & $p < 0.05$. However, communication skill does not affect salary offerings significantly, $F = 1.517$, $p = .225$ which is greater than 0.05.

Introduction:

Now a day's most of the students are very much concerned about their final placements. The area of their concern is job in a good organization along with good salary. This situation is quite true for students of technical courses. This situation becomes more dark because of increasing awareness in students about post education future. Second reason may be increased competition. Students would like to take admission in the institute where highest salary packages are offered.

Review of Literature:

Salary

A salary is part of a compensation package that employers provide to employees in exchange for performing specified services. Generally understood as covering one year's worth of services, it's the money an employee earns at regular intervals often monthly, semi-monthly or even weekly throughout the year. **Payment terms** are typically agreed on between an employer and employee at the beginning of the working relationship, although the details can be changed over time.

Peter B. Robinson & Edwin A. Sexton conducted a study (March 1994) shows that a general education has a strong positive influence on entrepreneurship in terms of becoming self-employed and success. Experience has a similar relationship although not as strong. Future studies need to examine the impact of specific types of education, such as business school or entrepreneurship classes, on the entrepreneurial outcomes in the studies.¹

Marinka A. C. T. Kuijpers & others in their study (December 2006) addresses the general question as to which competencies employees need to possess in order to engage in self-management in their career development. The authors distinguished and operationalized 6 career factors and competencies of self-management in career development. A quantitative study was performed using 1,579 employees in 16 Dutch companies to investigate the relationship between career competencies and career success. The results indicate that, among others, the factors career control and networking are strongly associated with career success. The results are discussed with respect to the facilitation organizations can provide for their employees' career actualization.²

José M. Peiró & others (March 2010) conduct a study shows that increase of education in younger generations and the relative scarcity of qualified jobs available for them makes over education of young employees a social issue. They explored the relationships between over education and job satisfaction (extrinsic, intrinsic, social facet), as well as the direct and moderating role of salary, contract of employment, and work experience in these relationships using hierarchical regression analyses. Data were collected from a sample of 643 young Spanish employees.

As expected, there were negative relationships between over education and all 3 satisfaction facets. Moreover, high work experience emerged as a moderating factor that buffered the negative effect of over education on extrinsic satisfaction. Contract of employment and salary did not moderate this relationships.³

Lori J. Sallop (2007) reveals that students with more work experience while in college place greater importance on higher compensation than students with less experience. The study finds that female students place greater importance on work life balance and cultural fit within the organization and are more aware of, and sensitive to, gender issues.⁴

Pneena Sageev & Carol J. Romanowski (October 2001) study results reveal the impact of engineers' communication skills in adjusting to jobs and achieving career goals. A direct correlation emerges between the amount of technical communication (TC) instruction and career advancement. Former students then spell out recommendations for providing relevant TC instruction within the engineering curriculum.⁵

From the literature review it is clear that educational background, work experience & communication skills are have some sort of relationship with carrier development, job opportunities, growth, over education issue & salary.

Scope of Study:

During the literature review it is found that educational background, work experience & communication skill are separately considered for different study. Researcher identifies this is the research gap & considered all three variables under one study (for MBA students) to find out their relation with salary offering. Scope of the study further lies in understanding which variable is having direct relationship with salary offering at the time of final placement.

Research Methodology:

For this research researcher used continent random sampling method. Sample units are the MBA pass out students from different business schools in pune city. Sample size for this study is 50 MBA students. Information which is required for this study is gathered with the help of systematic questioner during the survey. F test is used to analyze the data with the help of SPSS 19 version. This study only consider three variables i.e. educational background, work experience & communication skill. Also this study is limited only to pune city & conducted on MBA students. The result may vary when the area & subject stream changes.

Research Hypothesis:

H01: The educational background & previous work experience have no relationship with salary offerings of MBA students.

H02: Communication skills have no relationship with salary offerings of MBA students.

Data Interpretation:

Between-Subjects Factors			
		Value Label	N
educationalbackground	1.00	arts & commerce	26
	2.00	sci & eng	24
workexperience	1.00	with exp.	19
	2.00	without exp	31
communicationskill	1.00	good communication skill	32
	2.00	bad communication skill	18

Descriptive Statistics					
Dependent Variable: salaryofferedtostudent					
educationalbackground	workexperience	communicationskill	Mean	Std. Deviation	N
arts & commerce	with exp.	good communication skill	4.67	.516	6
		bad communication skill	3.50	.707	2
		Total	4.38	.744	8
	without exp	good communication skill	4.11	.601	9
		bad communication skill	3.78	1.202	9
		Total	3.94	.938	18
	Total	good communication skill	4.33	.617	15
		bad communication skill	3.73	1.104	11
		Total	4.08	.891	26
sci & eng	with exp.	good communication skill	6.06	1.321	8
		bad communication skill	6.67	.577	3
		Total	6.23	1.170	11
	without exp	good communication skill	5.00	1.000	9
		bad communication skill	4.25	1.500	4
		Total	4.77	1.166	13
	Total	good communication skill	5.50	1.250	17
		bad communication skill	5.29	1.704	7
		Total	5.44	1.362	24
Total	with exp.	good communication skill	5.46	1.248	14
		bad communication skill	5.40	1.817	5
		Total	5.45	1.363	19
	without exp	good communication skill	4.56	.922	18
		bad communication skill	3.92	1.256	13
		Total	4.29	1.101	31
	Total	good communication skill	4.95	1.153	32
		bad communication skill	4.33	1.534	18
		Total	4.73	1.322	50

Tests of Between-Subjects Effects					
Dependent Variable: salaryofferedtostudent					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	41.692a	7	5.956	5.696	.000
Intercept	846.814	1	846.814	809.920	.000
educationalbackground	20.540	1	20.540	19.645	.000
workexp	8.262	1	8.262	7.902	.007
commskill	1.586	1	1.586	1.517	.225
educationalbackground * workexp	5.999	1	5.999	5.738	.021
educationalbackground * commskill	1.073	1	1.073	1.027	.317
workexp * commskill	.159	1	.159	.152	.699
educationalbackground * workexp * commskill	2.801	1	2.801	2.679	.109
Error	43.913	42	1.046		
Total	1204.250	50			
Corrected Total	85.605	49			

a. R Squared = .487 (Adjusted R Squared = .402)

Findings:

Educational background has a significant effect on salary offerings of MBA students, $F = 19.645$ & $p < 0.05$. Also previous work experience has a significant effect on salary offerings of MBA students, $F = 7.902$ & $p < 0.05$. However, communication skill does not affect salary offerings significantly, $F = 1.517$, $p = .225$ which is greater than 0.05.

Conclusion:

We can see that the F statistic corresponding to educational

background is 19.645, which is significant at $p < 0.05$. F statistic corresponding to previous work experience is 7.902, which is also significant at $p < 0.05$. Therefore null hypothesis (H01) is rejected and alternate hypothesis (H11) is accepted.

The F statistic corresponding to communication skill is 1.517, which is insignificant as $p = 0.225$. Therefore the second null hypothesis (H02) is rejected and alternate hypothesis (H12) is accepted.

REFERENCE

1. Peter B. Robinson & Edwin A. Sexton, "The effect of education and experience on self-employment success," *Journal of Business Venturing*, Volume 9, Issue 2, March 1994, Pages 141–156 | 2. Marinka A. C. T. Kuijpers, Birgit Schyns, & Jaap Scheerens, "Career Competencies for Career Success," *The Career Development Quarterly*, Volume 55, Issue 2, pages 168–178, December 2006 | 3. José M. Peiró, Sonia Agut & Rosa Grau, "The Relationship Between Overeducation and Job Satisfaction Among Young Spanish Workers: The Role of Salary, Contract of Employment, and Work Experience," *Journal of Applied Social Psychology*, Volume 40, Issue 3, pages 666–689, March 2010. | 4. Lori J. Sallop, "The Role of Gender and Work Experience on Career and Work Force Diversity | Expectations," 2007 Institute of Behavioral and Applied Management. Page no 122 – 140. | 5. Pneeena Sageev & Carol J. Romanowski, "A Message from Recent Engineering Graduates in the Workplace: Results of a Survey on Technical Communication Skills," *Journal of Engineering Education*, Volume 90, Issue 4, pages 685–693, October 2001 |