
Competency gap between hiring managers and Academicians' Perceptions on management Graduates' Competencies in South India

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Abstract: *Hiring managers and academicians always have a gap in their perception on competencies of management graduates. Therefore a lot of emphasis is required in order to bridge this gap and make management graduates more employable. The objective of this study aims to empirically identify the hiring manager's perception on the level of importance of competencies possessed by management graduates. The second objective is to identify the academician's perception on the level of importance of competencies possessed by management graduates. Last objective is to identify if there is a gap exist between both group's perception on importance of competencies possessed by management graduates. A survey questionnaire was designed and administered to determine the perceptions of hiring managers about the perceived importance of competencies. A total of 50 questionnaires were distributed to hiring managers. The gap between employer hiring managers needs and management graduate competencies were identified. The findings from this study can be a significant help to the B-Schools in producing competitive management graduates and industries at improving human capital capabilities.*

Keywords: *Academicians, hiring managers, management graduates, competencies.*

1. Introduction

“Rapid changes in today’s business environment are extremely fast pace and highly competitive. Talent with high level of competencies had become a competitive advantage for many companies. It had become a critical challenge for employers to attain best talent from business schools. Employers become more selective and more demanding during the selection and recruitment process in order to choose graduates with better competencies. However, employers are complaining about the lack of basic skills and knowledge that they were supposedly trained in local universities and private colleges among business graduates in Malaysia (Woo, 2006). The feedback from employers employing fresh graduates ranges from lack of communication skills (Khoo, 2001) to untested intelligence of the graduates (New Straits Times, 2003), to lack of knowledge and expertise in their own area of study. In a recent survey conducted by the Central Bank of Malaysia, involving 312 companies, 77.6% of the respondents felt that Malaysian graduates lack the required skills to function effectively at the workplace (Kumar, Kee, &

Manshor, 2009). However, according to the Higher Education Minister, Malaysia graduates did not lack the talent or competency to be employed but it was just that some of them lacked the direction and inputs to sharpen their natural talent, interpersonal skills and abilities (Bernama, 2009). This issue has been one of the debated issues discussed among the academia in Malaysia and the practitioners. Many studies had been done to identified the employers' perceptions (Shafie & Nayan, 2010; Lai, 2011; Azami, 2008; Quah, Aizzat, Guok & Ignatius, 2009; Hazmilah, Dunn & Jones, 2008; Mustafa, Norkisme, Suradi, Ismail, Shahabuddin & Zaharim, 2008; Jacob, Lee & Su, 2006). However, there is limited published research on academicians' perceptions on graduate competencies or exit survey by universities in Malaysia. Therefore, a study is needed to help identify employers' perception and the academicians' perception on Malaysia business graduates and make a comparison on the perceptions from both sides. Following are the objectives of the study:"

- To empirically explore on hiring managers perception on importance of competencies in South India.
- To empirically explore on academicians' perception on importance of competencies in South India.
- To identify if a gap exists between hiring managers and academicians perceptions on level of importance of competencies.

2. Literature Review

“Employers are looking for Knowledge, skills, and ability in the graduates while hiring in order to face with stiff global competition and rapid growth of change (The Star, 2009). Graduates who are

equipped with higher level of competencies are found to be more prepared to meet and adapt to the paradigm shift brought about by globalization. Majority of Indian employers indicate that management graduates are well trained in their areas of specialization but unfortunately, they lack the ‘soft skills’ (Nurita, Shaharudin & Ainon, and 2004a). When recruiting the graduates employers today are looking not only specific skills and knowledge but also those with ability to be proactive enough to see and respond to problems. In addition to this, employers are now searching for graduates who are well-balanced, with good academic achievement and possessing ‘soft skills’ like communication skills, problem solving skills, interpersonal skills and the ability to be flexible (Nurita, Shaharudin & Ainon, 2004b). Feedback from various employers in India also pointed invariably to the deficiencies of tertiary education in training students to meet the needs of the workplace that result in unemployment among graduates (Asma & Lim, 2000; Lee, 2000; Quek, 2000; Kanapathy, 2001). Furthermore, there is a gap between the knowledge, skills and qualities possessed by the management graduates and the knowledge, skills and qualities required by the management graduates' prospective employers (Hesketh, 2000). Universities do make attempts have been made to clarify the nature of the education they offer to students and subsequently the potential contribution of graduates to society (Barnett, 1990). This will be reflected in the communication of descriptions of the employability skills of graduates (also known as generic skills, graduate capabilities). The emphasis on employability skills is clearly articulated in higher education policy. Abd-Ghafar (2004) stressed that it is an important factor in developing an effective curriculum is the need for academicians to understand the

breadth of knowledge, skills and abilities needed to engage in professional practice.”

(Arpan Anand, 2016) is in the opinion that the industry and the institutes need to collaborate in imparting industry-lead academic education to young professionals. Industry cannot be sitting on shores and expecting Educational institutes in meeting their requirements. It cannot be a profiteer approach; instead it should be a long term approach. If the industry and the education institutes expect government to assist them, they first need to collaborate before expecting something from government.

(Arunima Srivatsava, 2017), in her article expressed her view on “well-timed and well-deliberated exposure to the industry provides a much-needed experience to the students. They can take the form of internships or part-time projects that students can work on, which provide practical insights about how the industry operates and expose students to the current realities of the workplace. While there is no guarantee that these internships will fetch permanent jobs, it will equip the students to adjust to the needs of the business once they actually join the industry. Such opportunities boost students’ confidence as they learn a lot by being present in the workplace.”

This paper focuses on identifying the gap in the perception on the level of importance of competencies possessed by management graduates, between hiring managers and academicians.

3. Methodology

As a pilot study, a survey was conducted by mailing questionnaires to 80 hiring managers from different industry verticals using convenience sample method as well as questionnaires to the 100 academicians. Hiring managers and academics were asked to select the importance they placed on the 25 competencies items. The competencies-items used in this study were adapted from reviewing literature thoroughly which had been checked and validated. The mailing of the 50 questionnaires to the practitioners resulted in 50 usable replies, giving a response rate of 62.5%, and responses received from academics resulted in a 64.25% response rate.

4. Results and Discussion

Respondents’ Profile: The characteristics of the practitioner respondents are listed in Table 1. Majority of the respondents are male (56%) and are from IT/ITES industry (32%). Majority of the managers have been working for more than 10 years with the industry (60%). Responses from academicians are shown in Table 2 show 450 individual academicians replied from combination of public and private B-Schools. The majority of academicians are male (66.7%) and holding MBA degree qualification (72.4%). Majority of these academicians are from finance specialization (32.9%), most of them are in the designation of assistant professors (69.3%) working in non autonomous institutions (50.9%) and they have experience of 6 to 10 years (46.7%).

Table 1: Hiring managers Profile

Items	% (f)	Items	% (f)
Type of organization:		Gender:	
Education and Training	12% (6)	Male	56 (28)
Management consultancy	20%(10)	Female	54 (22)
Banking, Finance and Insurance	8 % (4)		
Hospitality	8% (4)	Experience:	
IT/ITES	32% (16)	0-5	4 (2)
Manufacturing	14% (7)	6-10	32 (7)
Textiles	6% (3)	11-15	36 (12)
		16-20	20 (14)
		21-25	8 (4)

Table 2: Academicians' Profile

Items	% (f)	Items	% (f)
Education level:		Gender:	
PhD	19.6 (88)	Male	66.7 (300)
Mphil	1.1 (5)	Female	33.3 (150)
MBA	72.4 (326)		
Mcom	1.1 (5)	Experience:	
Position:		6-10	46.7 (210)
Asst professor	69.3 (312)	11-15	26.7 (120)
Assc professor	17.3 (78)	16-20	8.9 (40)
Professor	13.3 (60)	21-25	11.3 (51)
		> 25	11.3 (6.4)

Reliability Analysis: Table 3 presents Cronbach alpha value for each dimension used in the study. All of the Cronbach alpha values were more than 0.7 which indicate that the dimensions used for each variable are highly reliable (Hair, Bush & Ortinau, 2006; Nunnally, 1978).

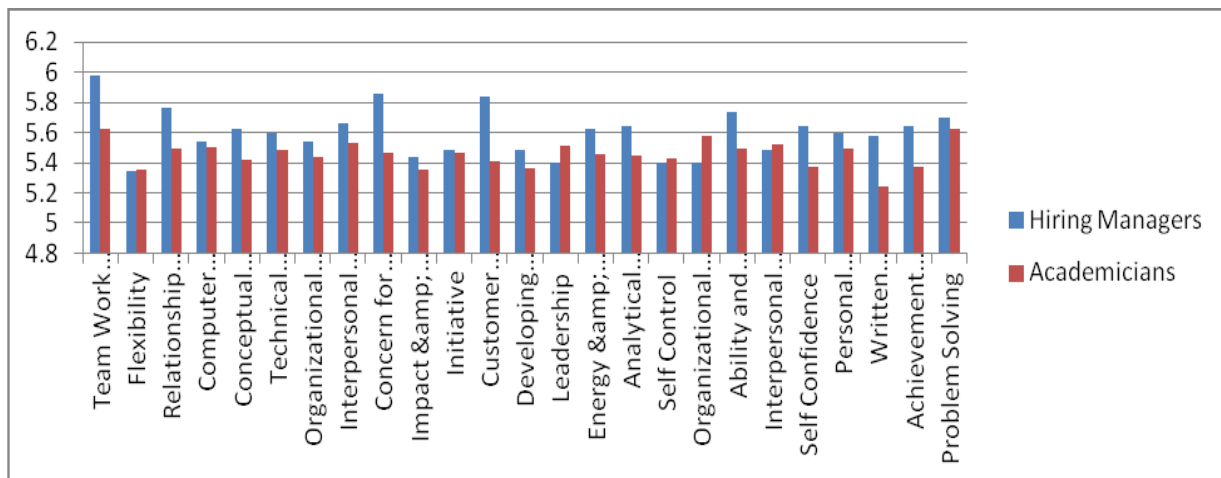
Findings and Discussions; Comparison of Management Graduates' Competencies Perceived by hiring managers and

Academicians: Table 4 presents histogram showing practitioners' ranking of the competencies perceived as importance based on a 7- point Likert scale where 1 = least important and 7 = extremely important. The histogram also showed academicians' ranking of the competencies perceived as importance based on a 7- point Likert scale where 1 = least important and 7 = extremely important

Table 3: Cronbach Alpha Value

Item	Cronbach Alpha (No. of items)
The importance of competencies as perceived by the hiring managers	.929 (16)
The performance of competencies by management graduates as perceived by the employers	.966 (16)
The importance of competencies as perceived by the academicians	.961 (25)

Table 4: Histogram for Comparison of Management Graduates' Competencies Perceived by hiring managers and Academicians



The perception of hiring managers and academicians on management graduates competencies was collected through a seven point-point scale. The mean score for both groups regarding management graduates competencies are given in Table 4. The results illustrate that both groups (hiring managers and academicians) have similar perception on the importance of business graduates' competencies i.e. flexibility,

computer skills, initiative, self control, interpersonal communication, personal skills, problem solving, impact skills and Technical skills. Both the groups were of the view that the previously mentioned skills are very important for business graduates to search and maintain good jobs in a competitive market place. The high mean score (5.98) of team work and cooperation shows that this skill is very important for

management graduates to possess this skill to secure good job opportunities. There is a gap in the perception of both the groups on the skills like Team work, relationship building, conceptual thinking, concern for order quality, customer orientation, analytical thinking, ability and achievement orientation. In majority of the instances there is a gap in the perception of hiring managers and academicians on various skills. This is the major concern for B-Schools as there is no proper inter link between industry expectations and academic inputs.

Independent Samples *t* Test for Differences in Importance of Competencies and Management Graduates' Performance as Perceived by Practitioners and Academicians:

To see the significance of difference between means of opinion independent sample *t*-test was used. The results of the independent sample *t*-test show that there was no significant difference (at the alpha level $\alpha = 0:05$) for flexibility, Computer literacy, Organizational awareness, interpersonal communication, impact and influence on others, initiative, developing others, leadership, self control, personal planning, and problem solving among the means of the perception of both groups. The results illustrate that the perception of both groups (hiring managers and academicians) are similarly important in these attributes. On the other hand, there are fourteen attributes were found to be significantly different between the hiring managers and academicians. These attributes are team work, relationship building, conceptual thinking, technical expertise, concern for order quality, customer service orientation, energy and passion, analytical thinking, commitment, ability and initiative, interpersonal understanding, self confidence,

written communication and achievement orientation skills. The mean for teamwork for the hiring managers is 5.98 but for academicians it is 5.62. The mean for relationship building for the hiring managers is 5.76 but for academicians are 5.49. The mean for conceptual thinking for the hiring managers is 5.62 but for academicians are 5.42. The mean for technical expertise skill for the hiring managers is 5.6 but for academicians are 5.48. The mean for concern for order quality skill for the hiring managers is 5.86 but for academicians are 5.47. The mean for customer service orientation for the hiring managers is 5.84 but for academicians are 5.41. The mean for energy and passion skill for the hiring managers is 5.62 but for academicians are 5.46. The mean for analytical thinking skill for the hiring managers is 5.64 but for academicians are 5.45. The mean for organizational commitment skill for the hiring managers is 5.4 but for academicians are 5.58. The mean for ability and willingness to learn skill for the hiring managers is 5.74 but for academicians are 5.4. The mean for interpersonal understanding skill for the hiring managers is 5.48 but for academicians are 5.12. The mean for self confidence skill for the hiring managers is 5.64 but for academicians are 5.37. The mean for written communication skill for the hiring managers is 5.58 but for academicians are 5.24. The mean for achievement orientation skill for the hiring managers is 5.64 but for academicians are 5.37. These results show that both groups do not share the same perceptions on these fourteen attributes. Employers perceived all the items in the competencies are important for management graduates for entering the workplace but analysis showed that academicians' perception was lower than

employers' perception in overall comparison.

Table 5: Independent Samples *t* Test for Differences in Importance of Business Graduates' Competencies as Perceived by Practitioners and Academicians

Competencies	Mean		t	df	Sig
	Hiring Managers	Academicians			
Team Work and Cooperation	5.98	5.62	-3.449	119	0.001**
Flexibility	5.34	5.35	-0.74	119	0.942
Relationship Building	5.76	5.49	-4.978	119	0.000**
Computer Literacy	5.54	5.5	-1.44	119	0.153
Conceptual Thinking	5.62	5.42	-3.438	119	0.001**
Technical Expertise	5.6	5.48	-3.449	119	0.001**
Organizational Awareness	5.54	5.44	-0.51	119	0.611
Interpersonal Communication	5.66	5.53	-0.292	119	0.771
Concern for Order, Quality and Accuracy	5.86	5.47	-3.04	119	0.003**
Impact & Influence on others	5.44	5.35	1.053	119	0.294
Initiative	5.48	5.47	-0.777	119	0.439
Customer Service Orientation	5.84	5.41	-3.202	119	0.002**
Developing Others	5.48	5.36	-1.601	119	0.112
Leadership	5.4	5.51	-1.968	119	0.051
Energy & Passion	5.62	5.46	-3.416	119	0.001**
Analytical Thinking	5.64	5.45	-2.696	119	0.008**
Self Control	5.4	5.43	-1.44	119	0.153
Organizational Commitment	5.4	5.58	-3.297	119	0.001**
Ability and Willingness to Learn	5.74	5.49	-2.686	119	0.007**

Interpersonal Understanding	5.48	5.12	-3.156	119	0.002**
Self Confidence	5.64	5.37	-2.696	119	0.008**
Personal Planning and Organizational Skills	5.6	5.49	-0.292	119	0.771
Written Communication	5.58	5.24	-2.484	119	0.007**
Achievement Orientation	5.64	5.37	-2.696	119	0.008**
Problem Solving	5.7	5.62	-1.147	119	0.254

5. Conclusion

The findings above confirmed that there is still a gap between the employers' perception and the academicians' perception on the importance of competencies that management graduates should possess. As a conclusion, this study contributes new findings to the issues of management graduates competencies. There were two limitations in the study; first, authors were only managed to conduct a study on 50 hiring managers and fifty academicians. Authors may consider analyzing the perception of more employers from different industries on their perception towards management graduates competencies. Secondly, author may consider conducting the study on longitudinal basis in order to compare the perception of employers from one state to another state.

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