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**Perception of Employability Skills of HRM Graduates: From Employers' and Graduates' Perspective**

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**Abstract**

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**Area of the Study**

*The portion of unemployment of HRM graduates which can be due to the mismatch of perception between employers' and graduates' regarding employability skills in the field of Human Resources Management in Sri Lanka.*

**Problem of the Study**

*The purpose of this paper is to study the perception of employers' as well as HRM graduates' towards employability skills required by HRM graduates in the manufacturing and service industries..*

**Method of the Study**

*A sum of two samples were selected for this comparative investigation namely, graduates and employers. For the study 45 graduates and 25 employers were obtained as the two samples. Two self-administered survey questionnaires were developed targeting the two groups. Descriptive statistics were used for the data analysis.*

**Findings of the Study**

*The findings reveal that there are differences in the perception between employers and undergraduates for certain employability skills where as for others no difference can be identified. In addition for some employability skills there is a skill gap where the employers' level of expectation is higher than the level of skills possessed by the graduates.*

**Conclusion of the Study**

*As the findings reveal that there is considerable skill gap pertaining to undergraduates with regard to most important employability skills due attention must be paid by the relevant parties in order to cultivate the employability skills before entering to the labour market. The findings of the present study will contribute to eliminate not only unemployment but also underemployment of HRM graduates.*

**Key words:** Employers, Employability skills, Graduates

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**Introduction**

At present, one of the important features of employment in the country is the educated unemployment and records imply that the second largest group of unemployed graduates is Commerce and Management graduates in the country (Senaratne, 2004). Moreover, some of the Human Resource Management (HRM) graduates are employed prior to graduation and most of them are doing non- HRM jobs while for others the average waiting period to get their first job after graduation is 8.1 months, which is significant (Senaratne, 2004). It means, employability of HRM graduates upon their graduation is under constraint. According to Hillage and Pollard (1999), employability of an individual depends upon assets in terms of knowledge, skills and attitudes; the way these assets are used and deployed; the presentation of assets to prospective employers. Therefore, it is worthwhile to find out whether there is a

gap in the perception about the employability skill of HRM graduates, between employers' and graduates', which will lead to keep HRM graduates away from employment. Further, the findings of the present study are much important for universities and HRM graduates to identify and develop employability skills that are valued by the employers to bring to the workplace and to eliminate not only unemployment but also underemployment of HRM graduates.

### **Problem Background and Problem of the Study**

There is a gap between the skills required for employment of graduate at the entry level and the level of skills of entry-level graduate job applicants and there is difference in valuing each skill by employers and graduates (Central Bank of Sri Lanka, 2003; Davies, 2000; Finn, 2000; Lindsay, 2002; National Science Foundation of Sri Lanka, cited in Wickramasinghe & Perera, 2010). Further, Swiatek (2000) claims that there are differences in the perceptions between graduates and employers on employability skills in the Australian context. The extent literature suggests that in today's challenging business environment the possession of subject skills alone is not sufficient for a new graduate in meeting employer requirements and it is necessary for them to gain transferable skills which will enhance their prospects of employment (Cox and King, 2006; Fallows and Steven, 2000; Harvey et al., 1997; Warn and Tranter, 2001). Transferable skills refer to certain personal abilities of an individual, which can be taken from one job role to another (Cox and King, 2006). The employment market requires graduates to come with a range of skills in addition to their academic success (Ball, 2003). Therefore, the focus of the present study is to prioritize the skills required for entry level HRM graduate jobs in the perspective of graduates and employers; identify the skill gap which emerges as a result of differences in the ideal (employers' response) and actual skill level possessed by graduates.

The term employability means a set of achievements that contain skills, understanding and personal attributes that make an individual more likely to secure and be successful in his/her chosen occupation to the benefit of him/herself, the workforce, the community and the economy (Yorke and Knight, 2004). As Ball (2003) claims, graduates engage with a diversity of work, many working in smaller enterprises, or on a freelance basis and there is increasing evidence for the need for information about graduates' transition to work, mostly in the period shortly after graduation, and graduates' early careers (Ball, 2003; Connor and Shaw, 2008; Holden and Hamblett, 2007, cited in Wickramasinghe & Perera, 2010).

The literature suggests a number of definitions for the term "employability skills" (Yorke, 2006; Davis, Misra and Van, 2002; Hillage and Pollard, 1999; Milne, 2000; Dearing, 1997) and generally it can be defined as the ability of presenting the gained knowledge, skills and attitudes. A number of studies have identified a range of skills that a graduate should possess which an employer generally looks for (Hiltrop, 1998; Nanayakkara, 1996; Webb, 1999; Cook, 2003, cited in Senaratne, 2004) such as visioning and planning skills, information literacy, creativity, leadership skills, team work and so on apart from the academic knowledge they nurtured through university education system. Having considered the

previous research held, the present study mainly focus on the problem solving skills, communication skills, interpersonal skills, learning skills, information technology skills and adaptation skills.

Hence, the present study investigates the perception of employers' and graduates' towards problem solving skills, communication skills, interpersonal skills, learning skills, information technology skills and adaptation skills. Also, the study basically attempts to identify the skills that should be developed in graduates as they are demanded by employers in hiring them for entry level jobs.

### **Research Framework**

**Problem Solving Skill:-** Problem solving skill refers to the ability of decision making using knowledge in a creative, critical and analytical manner (Senaratne, 2004). Wickramasinghe & Perera (2010) argue that the employers' level of expectation is comparatively higher with regard to problem solving skills than the level possessed by graduates. Hence, the researcher formulated hypothesis one as;

*H<sub>1</sub>: There is a difference in perception between employers' and graduates' about problem solving skills.*

**Communication Skill:-** Communication skills means ability to conduct effective oral and written communication (Senaratne, 2004) and oral communication was identified as important by university lecturers (Wickramasinghe & Perera 2010). Hence, it can be reasonably argued that as university lectures value communication as a more important skill, graduates too possess the same perception. According to Bambacas and Patrickson (2007), although communication skills played an important role in managers' selection, these were not accurately measured. Hence, the researcher formed the second hypothesis as;

*H<sub>2</sub>: There is a difference in perception between employers' and graduates' about communication skills.*

**Information Technology Skill:-** According to Senaratne (2004), information technology skills means ability to use information technology and it is positively correlated with HRM employability. As argued by Drucker (1988) information technology (IT) could potentially be more threatening to the position of the middle manager. Further, IT skill is strongest in information technology intensive industries such as banking and insurance, as well as in industries such as retail and wholesale trade (Falk and Seim, 2001). Hence, the researcher developed the third hypothesis as;

*H<sub>3</sub>: There is a difference in perception between employers and graduates about information technology skills.*

Adaptation Skill: - Adaptation skill means ability to embrace change (Senaratne, 2004). There is evidence (Ball, 2003) that graduates who are joining creative industries have to adapt, change direction and offer flexible services. In other words, employers require higher degree of adaptation or flexibility skill apart from the academic success held by the graduates. That is graduates may undermine the skill of adaptation than it would be required by the employers. In light of the above evidence the researcher developed the hypothesis four as;

*H<sub>4</sub>: There is a difference in perception between employers and graduates about adaptation skills.*

Interpersonal Skill:- According to Barker (2004), there are number of general interpersonal skills that play an important part in advancing the career and working pleasantly with colleagues such as the ability to work under different kinds of supervision, the ability to speak with others in a relaxed and self-confident manner, the ability to handle criticism, disagreement, or disappointment during a conversation, the ability to see things from someone else's point of view, the ability to assign others to carry out specific tasks, the ability to work cooperatively as a member of a team.

Also there are many interpersonal skills that are highly valued by accounting professionals (Birkett, 1989) such as to listen effectively to present, discuss and defend views, to negotiate with people from different backgrounds and value systems, to understand group dynamics etc. The researcher developed the fifth hypothesis as;

*H<sub>5</sub>: There is a difference in perception between employers' and graduates' about interpersonal skills.*

Learning Skill:- 'Learning skills' is a very broad term used to describe the various skills needed to acquire new skills and knowledge, particularly in a formal learning setting, such as school or university (Higgins, Baumfield and Hall, 2007). There are significant differences in the importance given to learning skills by employers and graduates (Wickramasinghe & Perera 2010) in IT industry. Hence, the researcher formulated the sixth hypothesis;

*H<sub>6</sub>: There is a difference in perception between employers and graduates about learning skills.*

The differences between the levels of skills possessed by graduates at the time of applying for the first job and the level of skills expected by the employers at the same time.

According to Wickramasinghe & Perera (2010), a skill gap in graduates can be identified by comparing the graduates' possession of the skills at the time when they apply for the first job with the employers' expectation of the skills that should be possessed by graduates in applying for their first job. Also the same research concluded that the employers' expectation

about the skill level is relatively higher than the skill level possessed by the graduates in IT industry. Hence the researcher hypothesizes the following:

*Hypothesis<sub>7</sub>: The employers' expectation of the skills is relatively higher than the skill level possessed by the graduates.*

## **Method**

### ***Study Design***

The objective of the study is to identify the differences of perception between employers' and undergraduates' towards employability skills of HRM graduates once graduates are applying for entry level jobs. To find the differences in the perception of two groups, a chain of six employability skills have been identified. As suggested by the objective of the study, the research falls to a comparative investigation. This is a field study and no artificial or manufactured setting was created for the study. This study was purely based on primary data. The objectives of the study will be tested by collecting data through the administration of structured questionnaires separately designed for employers and graduates. That is, two different questionnaires will address the perception of employers' and the perception of graduates' towards employability skill separately.

The sample for the study consists of 25 undergraduates and 25 employers which is a calculates a sample of 50. The sample of undergraduates represents the final year undergraduates of the University of Sri Jayewardenepura, who have already completed industrial training and who are about to pass out. The sample of employers represents the managerial and non managerial employees who represent interview panels both in manufacturing and service industries where the undergraduates are attached to complete their industrial training. The sample method of the survey was the stratified random sampling.

### ***Measures***

Based on the previous research findings, six employability skills have been identified for the purpose of the present study namely Problem Solving Skill, Communication Skill, Information Technology Skill, Adaptation Skill, Interpersonal Skill and Learning Skill. These employability skills were addressed by two questionnaires with five point scales ranging from very high to very low. It should be noted that the employability skills were to be compared with each other and to place the rank. The purpose of comparing and then ranking was to avoid the same rank for two or more skills.

The six employability skills were measured in accordance with their relevant dimensions. Problem solving skill was measured using three dimensions as defining and classifying the problem, expressing the hard ship and developing the hypothesis and with 3 aspects (as ability to gather information to solve a problem, ability of identifying issues and problems and ability of organizing information to solve a problem). Three questions were developed by the researcher to rank as 'very high', 'high', 'average', 'low' and 'very low'. Communication skill was measured using two dimensions as oral communication and writing and with 2

aspects (build and maintain relationship and response to official affairs). Two questions were developed by the researcher to rank as ‘very high’, ‘high’, ‘average’, ‘low’ and ‘very low’. Information technology skills were measured using four dimensions as basic operations & concepts, productivity, communication and research with 12 aspects (Print a file to a specific printer, locate and open applications, quit applications, create and name folders, word processing, spreadsheets, databases, graphics, video, browser use and research skills). Six questions were developed by the researcher to rank as ‘very high’, ‘high’, ‘average’, ‘low’ and ‘very low’. Adaptation skills were measured using two dimensions as handling emergencies and handling work stress with 3 aspects (adapts behavior and methods in response to new information and changing conditions, meeting deadlines, effective relationship handling with peers in stressful work situations). Three questions were developed by the researcher to rank as ‘very high’, ‘high’, ‘average’, ‘low’ and ‘very low’ Interpersonal skills were measured using four dimensions as self awareness, emotional intelligence, leadership style and teamwork skill with 7 aspects (self cConfidence, personal fitness, social fitness, inspiring others to act, ability to generate trust and credibility, cooperates and collaborates and organizes effective teams). Five questions were developed by the researcher to rank as ‘very high’, ‘high’, ‘average’, ‘low’ and ‘very low’. Learning skills were measured using two dimensions as knowledge and understanding, prior and emerging experiences with 2 aspects (learning about concepts, and practices of discipline and using creativity thinking to face future situations). Two questions were developed by the researcher to rank as ‘very high’, ‘high’, ‘average’, ‘low’ and ‘very low’.

**Techniques of Data Analysis**

Data collected from primary (questionnaire) source were analyzed using the computer based statistical data analysis package, SPSS (version 16.0). To obtain the objectives of the study data descriptive statistics, paired sample t-test and one sample t- test were used.

**Results**

To rank the skills in order of importance, the mean values of the skills were compared with each other. Descriptive statistics were analyzed in this regard. The results are given in Table 1.

Table 1: Comparison of importance given to employability skills

Rank	Employers’	Undergraduates’
1	Communication Skill	Communication Skill
2	Learning Skill	Interpersonal Skill
3	Adaptation Skill	Adaptation Skill
4	Interpersonal Skill	Learning Skill
5	Problem Solving Skill	Problem Solving Skill
6	Information Technology Skill	Information Technology Skill
Note:- Rank is based on mean values		

Table 1 shows the most important employability skills as identified by the employers and the undergraduates. Communication skill was identified by the two groups as the most important employability skill. Both employers and undergraduates establish the same perception regarding the adaptation skill, problem solving skill and information skill. However, employers rank the learning skill as the second most important skill where as undergraduates place the same skill in the place of four. In case of interpersonal skill, the undergraduates place it as the second most important skill where as the employers place as the fourth in the order of importance.

Further, the skill gap pertaining to the undergraduates who are about to be graduated were analyzed using one sample t- test and paired sample t-test. The level of each skill expected by the employers was compared by the level of each skill actually possessed by the undergraduates. Results of paired sample t-test are given in the Table 2.

Table 2: Gap analysis of skills

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Problem Solving Skill- Expected Level	2.3200	25	.55678	.11136
	Problem Solving Skill- Actual Level	1.8000	25	.70711	.14142
Pair 2	Communication Skill-Expected Level	4.2000	25	1.11803	.22361
	Communication Skill- Actual Level	2.5200	25	.96264	.19253
Pair 3	Information Tec. Skill- Expected Level	1.0400	25	.20000	.04000
	Information Tec. Skill- Actual Level	1.8800	25	.97125	.19425
Pair 4	Adaptation Skill- Expected Level	3.3200	25	.69041	.13808
	Adaptation Skill- Actual Level	3.4000	25	1.29099	.25820
Pair 5	Interpersonal Skill- Expected Level	2.4000	25	.57735	.11547
	Interpersonal Skill- Actual Level	3.9600	25	1.27410	.25482
Pair 6	Learning Skill- Expected Level	4.0000	25	1.11803	.22361
	Learning Skill- Actual Level	3.6000	25	1.04083	.20817

Table 2 indicates that for some skills there is no skill gap can be identified as the actual levels of skills possessed by the undergraduates exceed the expectations of employers. Specifically, in respect of Information Technology Skill, Adaptation Skill and Interpersonal Skill are high comparing to the level of expectations. However, a skill gap can be identified with regard to communication skill, learning skill and problem solving skill. Meaning, the levels of skill possessed by the undergraduates does not meet the expectations of employers.

### Discussion and Conclusion

The study compared employability skills that employers and undergraduates value to bring to the workplace when graduates are applying for entry-level graduate jobs in the field of Human resource management in Sri Lanka. Commonly used employability skills were identified through extant literature. The findings reveal that undergraduates, who are about to

graduate, prefer to have these skills in them and that employers prefer undergraduates to possess these skills despite the fact that there are some differences in their preferences. However, the perceptions of two groups differ in case of learning and interpersonal skill. As per the previous research findings, Swiatek (2000) also found that there are differences in the importance given to employability skills by graduates and employers according to their perceptions in the Australian context. Further Wickramasinghe & Perera (2010) establish the same idea that there are differences in perception for some employability skills, especially for learning skill between employers and graduates in the field of computer science in Sri Lanka.

Overall, this study contributes to identify graduate employability skills from the point of view of two main groups - graduates and employers. When graduates are equipped with necessary skills they will become motivated and efficient in fulfilling their job tasks, and consequently employment retention will be increased (Wicramasinghe and Perera, 2010). Several previous studies also indicate that employability skills are very amenable to be taught during the undergraduate degree programme (such as Cox and King, 2006; NSF, n.d.; Pool and Sewell, 2007; Rae, 2007; Zinser, 2003). The extant literature (such as Ball, 2003; Davis, 2000) also highlights the importance of a partnership between the university and industry in providing work experience that complements the programme of study to develop relevant skills at the undergraduate level and it was also found that universities use industry placements as a method to address employability skills (Wickramasinghe and Perera, 2010). Further, Harvey (2000) advocates the view that the primary role of higher education is to train students by enhancing their knowledge, skills, attitudes and abilities, and to empower them as lifelong critical and reflective learners. When looking in to the implications of the current study, universities can take necessary steps to impart the employability skills in graduates that are valued by the employers to bring to the place of work. Identifying and imparting necessary skills that are expected and valued by the employers will assist to eliminate unemployment and underemployment of HRM graduates while facilitating them to find a job soon after the graduation. If the graduates know the skills particularly they could prepare well in advance for the skills demanded by the employers. In this regard, present literature (e.g. Nabi and Bagley, 1998) highlights the importance of helping graduates to acquire a broad range of employability skills apart from their particular degree discipline, as those would be needed by employers in future.

There are few limitations in the study. First, the size of sample is small and the study focuses on a mix of industries. That is both manufacturing and service industries are taken into consideration in selecting the sample of employers. Depending on the industry, the requirement of employability skills may vary. This can be tested separately for manufacturing industries and service industries. And the sample selection in both employers and graduates is small in number. Because of this, generalizing the findings from the present study is under constraint. A second limitation is that only a little number of employability skills are investigated in the present study. These can be expanded into a large number of employability skills and allow the respondents to answer open ended questions as well. A third potential limitation is the method used to gather information is a self assessment of



graduates, there is a high tendency to consistently rank higher (lower) for importance of the skills and rank higher (lower) for the skill level possessed by them. This could be overcome by using a mix of methods to gather data such as collect data through questionnaires and using interviews as well. Therefore, future studies can be undertaken by selecting a large number of sample, considering a large range of employability skills, using mix methods to collect data not only to test the perception of graduates' and employers', but also to investigate the lecturers' perception towards employability skills and the actions to develop those skills under university degree programme as well. It would be more fruitful to carry out a research which is separately addressing the employability skills of male and female graduates in the field of Human Resource Management.

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