

Importance of Soft Skills on Employability of Finance Graduates

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Abstract: BSc Finance is a recently introduced degree program by many National Universities in Sri Lanka. Hence it is important to know what skills are required by Finance graduates in order to make them employable. Our emphasis here is on soft skills. A survey was conducted to gather data from employers regarding required soft skills of graduates. The employers ranked quality of work, ability to meet deadlines, positive attitudes towards work, and self confidence as "very high" in importance. Motivation to learn, ability to manage stress, motivation to develop skills, ability to work independently, maturity in making decisions, team playing spirit, computer literacy, IT literacy, creativity, innovativeness, general behavior, grooming and readiness were ranked as "high". Good academic records were ranked "very high" and professional qualifications were ranked "high". Extra curricular activities were ranked "moderate" and gender, marital status and family background was ranked "very low".

Key Words: *finance graduate, soft skills, employability*

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1. Introduction

Ten out of the fourteen universities offer degree programs in Finance or finance related. The Department of Finance, Faculty of Management Studies and Commerce (FMSC), University of Sri Jayewardenepura was the first to offer a BSc. in Finance in the Sri Lankan university system.

The finance sector of the country indicated a strong development with the liberalization of the economic policies in 1977. Number of private commercial banks increased, branches of foreign banks were established, and new concepts such as off shore banking were introduced. The stock market was revived in 1982, and as a result many brokering companies came into being and new financial instruments are being introduced. Employment opportunities for finance specialists increased as a result. The national universities identifying correctly the need of the country started offering degree programs specializing in finance.

Students who could secure high Z scores (at the G.C.E. Advanced Level examination held by the Department of Examinations) are admitted to the finance degree programs.

All ten degree programs offer an internship training for finance students. Internship is recommended only if the training is in compliance with the guidelines spelt out by the degree program. Although obtaining training is not so difficult for undergraduates obtaining relevant finance training is becoming a problem. In this background it is imperative that we find out reasons for such situation. Rajapakse(2016) revealed that there is

no study focusing on soft skill requirements of Finance graduates.

2. Significance of the study

The BSc. Finance degree program is gaining popularity among students and the demand for the programs increase every year. Private universities also offer finance related degree programs. Hence it's important that continuous attention being paid on upgrading the quality of the graduate produced by national universities to suit the varying demands of the employment market. This has to be done in terms of curricula as well as extra curricula.

The general contention towards university graduates are that they lack soft skills although they are conversant in the subject knowledge. Further the telephone interviews we had with employers expressed various ideas. Some mentioned that there are problems (lack/ mismatch) related to soft skills, some others mentioned about poor language and computer skills.

Hence, this study would focus on the soft skills expected of a finance graduate of national universities in Sri Lanka. This will be useful for the relevant departments to make changes in the teaching and training methods and the learning environment. This study will indicate what soft skills that the students should possess in order to be better employed in the Finance field.

3. Literature

The Business Dictionary defines soft skills as "Communicating, conflict management, human relations, making presentations, negotiating, team building, and other such ability, defined in terms of

expected outcomes and not as a specific method or technique such as statistical analysis”

Universities and higher education institutions are exploring ways of increasing the employability of their graduates. Employers expect something more than the theoretical knowledge and work related skills in graduates. Acquiring soft skills competencies becomes increasingly important and relevant for those who are seeking employment. Several studies are being done on identifying required soft skills of graduates, how to develop soft skills in graduates and perceptions of employers regarding soft skill requirements of prospective employees.

Types of Soft Skills

Many researchers have identified several soft skills expected of a prospective graduate. Crawford, L P, Fink S, Dalton W R, & Fielitz L (2011) found that communication skills, decision making/problem solving skills, self management skills, teamwork skills, professionalism skills, experience and leadership skills are the soft skill clusters in this study. Polziehn, R. (2011) found that most important soft skills are Communication and interpersonal skills, Critical and creative thinking, Personal effectiveness, Integrity and Ethical Conduct, Teaching Competence, Societal and Civic Responsibilities, Leadership, Research management, Knowledge mobilization and knowledge translation, Career Management. Helena J & Bhebhe T B (2016) found that the ten soft skills that employers in Zimbabwe felt critical for graduate employees to possess are: critical thinking, morality teamwork, ethics, anger management/ self-control, communication skills, integrity, reliability/ trustworthiness, self-confidence, and understanding the work culture. A research conducted in order to identify the soft skills required by local and multi-national companies operating in Malaysia and to identify the contributing factors of graduates' unemployment by Hairi, B A F B., Toee M N B A and Razzaly C W B (2011) found that the five essential soft skills criteria needed by the employer in the working place in order of importance are Communication skill, Teamwork, Decision Making & Problem Solving, Creative & Critical Thinking and Program & Project Management skill.

Employers perceived positive attitudes and behaviors, for example, working cooperatively with others; being responsible and adaptable; the ability to resolve conflict; communicating effectively in oral and written English; and a strong commitment to learning continuously, as extremely important qualities in graduates. Some of the more 'appropriate attitudes and abilities' such as 'being responsible and adaptable' were perceived by researchers as being consistent with a command-control system, rather than a market economy Velde, C. (2009). Study by Williams, A C (2015)

found that for entry-level jobs, communication was the most important and the most lacking soft skill. In contrast to the findings discussed above, a study using Human Resource Development (HRD) faculty in Morocco, Europe, and one university in the United States, as well as employers of HRD graduates in Morocco, El Mansour, B. and Dean, J.C. (2016) found that Morocco, (an emerging country), doesn't yet count communication skills and the use of technology as necessary employability skills, these skills are not perceived to be important at the moment due to limited usage of technology in the training and development of human resources.

Among the studies conducted for Sri Lanka Herath, H.M.T.S and Ranasinghe, A. (2011) investigated into the assessment of private sector employers towards recruiting business graduates in Sri Lanka. The study investigated 65 of private sector business firms who are the possible employers of providing job opportunities for potential employees in Sri Lanka. Findings of the study showed that among the other state university graduates but except engineers and doctors, business graduates have more or less the necessary skills and qualities needed to work in private sector work places. But those skills and qualities are not up to the standard expected by the private sector employers. Among those skills Sri Lankan business graduates especially lack ICT skills, English language proficiency and the applicability of practical knowledge. Hence the business graduates of Sri Lanka should improve the essential skills, attitudes and qualities in order to create a good demand for them in the available job market and to complete with other professionally qualified personnel. A study on engineering graduates by Shyamalee, M.M.G.V. Wickramasinghe, W.M.V.S.K. Dissanayake S. (2013) employability skills that were most critical are identified as Engineering Design and Construction Standards, Working Attitude, Management Skills, Personal Attitude, Technical and Administrative Skills and Engineering Knowledge. Dolage, D.A.R. and Hearth, C.N. (2014) investigated into the soft skill requirement of graduates seeking employment, according to the perspectives of four types of stakeholders namely, employers, academics, graduates and current students. Based on this, five most important soft skills were namely, Interpersonal, Leadership, Oral Communication, Decision making, and Team work. De Silva, G. (2015) highlighted the need for improving soft skills to improve the level of the IT industry of the country. Soft skills were identified of which communication abilities in spoken and written English were of paramount importance.

Suggestions for ways of improving soft skills

The research study by Washor, K S (2015) was designed to understand the degree to which

internships enhance student soft-skill development, specifically in the areas of communication, teamwork, initiative, and, analytical thinking. Findings suggested that participating in an internship contributes to student soft-skill development. A research conducted by “Campos” (2015) found that recent US college graduates and employers agree that a certificate course in soft skills training would be beneficial for college students. A descriptive study by McCale, C (2008) portrays the benefits undergraduate marketing students derive from completing experiential learning activities – specifically client-based projects. No one experiential learning activity can provide benefits to all students, nor is activity appropriate in all situations. Liberal arts students as well as business students could certainly benefit from the hands on approach a client based project can provide. From the research, it appears that female undergraduate marketing students appear to derive more perceived benefits in the tested areas than do their male counterparts as a whole – particularly in the marketing research course. Williams, A C (2015) investigated the perceptions of students and employers related to the soft skills needed to be successful in future employment. The recommendations informed the creation of a mandatory 3-day professional development training program, which was developed to help students enhance their soft skills before entering their future careers. Soft skills are just as important as technical skills; soft skills complement the technical skills. Higher educational institutions need to help students to hone the relevant soft skills as employers place significant importance on soft skills. Soft skills training strategies should be tailored to meet the needs of students and employers.

A study based on Sri Lanka by Ravindran K and Bandara CMYSS (2015) have found that factors affecting the acquisition of soft skills can be identified under six major categories; awareness and preference; impact of society; teaching methods and classroom activities; Observation and self-motivation; infrastructure and technology; University exposure where all the factors show positive impacts on soft skill acquisition. Thus, the study suggested that improving the condition of those factors would make a more favorable ground for skill acquisition with regard to university students.

Perception of the employer and the perception of the Graduate/ Faculty on soft skills

Crawford ,L P , Fink S ,Dalton W R, &Fielitz L(2011) from Michigan State university conducted a survey on soft skills using employers , students ,faculty and Alum have found that soft skills are ranked most important by employers and Alum while discipline knowledge is ranked most important by faculty and students.

The employers rank order of soft skill priorities is: Communication, Self- management, Teamwork, Decision-making/Problem solving, Experiences, Professionalism, and Leadership. All of the stakeholder groups agree Communication is the most important soft skill with Employers value listening as the top Communication characteristic; above oral and written skills. Employers value Teamwork higher than students and faculty in importance for new employees. Discussion includes issues such as: students seem to underestimate the importance of self-starting and that having a positive attitude is important to their future employers. Curricular implications are also discussed to enhance soft skill development. Crawford, P. Dalton, R. (2011)

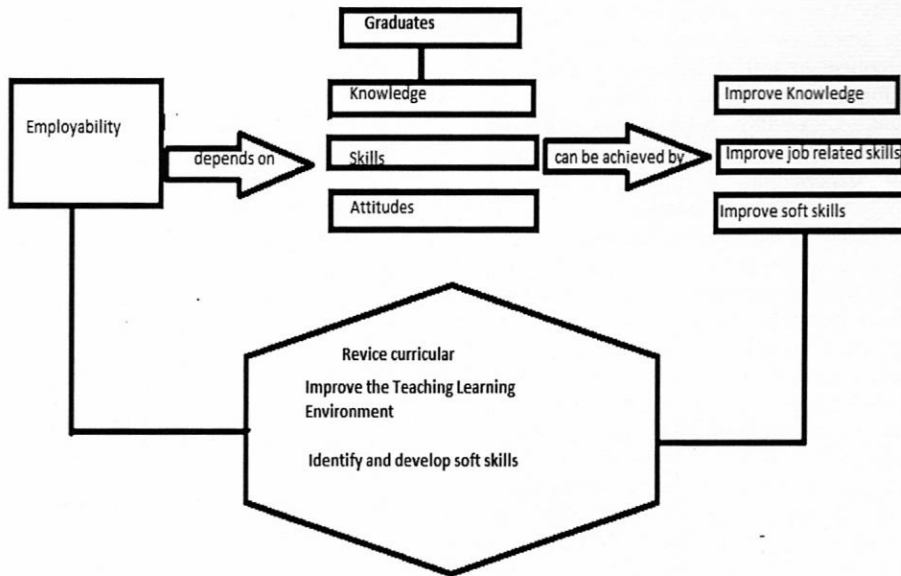
A study conducted by “Campos” (2015) using major employers in southwestern Pennsylvania found that “Recent college graduates and employers agree that soft skills are important for workplace success. There is a gap between how prepared recent college graduates think they are, and how prepared employers find them to be. Recent college graduates and employers differ on which soft skills are most important. Further recent college graduates and employers differ greatly on which soft skills merit training.

Based on a study to explore employability skills that employers, university lecturers and graduates value to bring to the workplace, when graduates are applying for entry-level graduate jobs in the field of computer science in Sri Lanka Wickramasinghe, V. & Perera, L. (2010), suggested that there are differences in the priorities given for employability skills by the four groups–male graduates, female graduates, employers, and university lecturers.

Most of the studies have focused on either Engineering/ IT students or management students in general. There exists a clear gap in literature regarding the skills needed by graduates specializing in Finance. This study aims at addressing that gap.

4. Conceptualization

Employability of graduates can be improved by addressing the knowledge , skills and attitudes within and outside curricular. Knowledge and hard/technical skills can be addressed within the curricular, while soft skills can be addressed in both curricular and extra curricular. In order to address these we must first identify the requires soft skills of a finance graduate .



5. Research Question

The research question addressed in this study is “ Are soft skills important in determining employability of Finance graduates”

6. Objectives

General objective

Understand the importance of Soft Skills on Employability of Finance Graduates

Specific Objectives

- Determine whether soft skills are important in determining employability of Finance graduates
- Identify the type of soft skills employers expect from Finance graduates

7. Materials and Methods

This is an explanatory study where the researcher intends to identify the soft skills a finance graduate must possess in order to be employable.

Population & Sample

Population consists of the Business Enterprises, in the manufacturing, services and financial sectors and the government sector institutions and corporations. We have selected seventy five organizations in to consideration which have accepted students for finance internships as our sample.

Data collection instruments

A round of telephone interviews were carried out in order to gather the general perception of the employers towards our graduates. Based on the information, a questionnaire was developed in order to identify the soft skills sought by the employers. The questionnaire included twenty

three questions. Identified soft skills were Motivation to learn, quality of work, ability to manage stress, ability to meet deadlines, motivation to develop skills, ability to work independently, maturity in making decisions, positive attitudes towards work, team playing spirit, computer literacy, creativity and innovativeness, general behavior, communication skills, readiness, self confidence, and grooming. In addition to these questions were asked to assess the importance of good academic records, professional qualifications, gender, marital status, family background, and extra curricular activities of the graduate. Depending on the responses the individual skills identified are ranked “Very High”, “ High”, “Moderate” and “ Low” and “Very Low” importance.

8. Results and Discussion

Seventy five questionnaires were distributed among the organizations which were providing internship facilities for the finance undergraduates. The responses were received from fifty one securing a response rate of sixty eight percent. The employers ranked quality of work, ability to meet dead lines, positive attitudes towards work, and self confidence as “very high” in importance. Motivation to learn, ability to manage stress, motivation to develop skills, ability to work independently , maturity in making decisions , team playing spirit, computer literacy , IT literacy, creativity , innovativeness, general behavior, grooming and readiness were ranked as “ high”. Good academic records were ranked “very high” and professional qualifications were ranked “high”. Extra curricular activities were ranked “moderate “ and gender , marital status and family background was ranked “very low “. (refer Table 1)

Table 1 Soft skills ranked by Employer

Degree of importance	Degree of importance	Degree of importance	Degree of importance
“very high”	“ high”	“ moderate ”	“ very low”
<ul style="list-style-type: none"> Quality of work 	<ul style="list-style-type: none"> Motivation to learn 	<ul style="list-style-type: none"> Extra curricular activities 	<ul style="list-style-type: none"> gender
<ul style="list-style-type: none"> Ability to meet deadlines 	<ul style="list-style-type: none"> Ability to manage stress 		<ul style="list-style-type: none"> Marital status
<ul style="list-style-type: none"> Positive attitudes towards work 	<ul style="list-style-type: none"> Motivation to develop skills 		<ul style="list-style-type: none"> Family background
<ul style="list-style-type: none"> Good Academic records 	<ul style="list-style-type: none"> Ability to work independently 		
<ul style="list-style-type: none"> Self confidence 	<ul style="list-style-type: none"> Maturity in making decisions 		
	<ul style="list-style-type: none"> Team playing spirit 		
	<ul style="list-style-type: none"> IT and Computer literacy 		
	<ul style="list-style-type: none"> Creativity and innovativeness 		
	<ul style="list-style-type: none"> General Behavior 		
	<ul style="list-style-type: none"> Grooming 		
	<ul style="list-style-type: none"> communication skills 		
	<ul style="list-style-type: none"> Readiness 		

9. Conclusion

It can be concluded that industry highly consider self confidence, readiness, communication skills, team playing spirit, creativity and innovation, positive attitudes towards work and motivation to learn and develop. Hence the results of the survey

confirm that there is a strong need to develop soft skills among graduates as required by the industry. The universities which offer Finance degree programs may focus on these in making changes to the teaching and learning environment. It will help students overcome the deficiencies and locate themselves in the most appropriate position in the labor market.

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