

Exploring the Factors Enhancing Employability of B-school Graduates in Developing Nations- A Study of Delhi/NCR, India.

Sanandi Sachdeva*

(Corresponding author)

Research Scholar

Dr. A.P.J. Abdul Kalam Technical University, Lucknow, India

schopra90@gmail.com

Daviender Narang

Director

Jaipuria Institute of Management, Ghaziabad, India

nardav@gmail.com

ABSTRACT

Employability has been and is likely to be a primary concern for developing nations. The study has a twofold objective, to understand the concept of employability with antecedents of employability, secondly to explore the skills required to enhance the employability of B-school graduates in developing nations. A literature review has been undertaken to find out the factors impacting employability. Exploratory Factor Analysis has been utilized to explore the skills required by B-School graduates to be employable in developing nations with reference to Delhi/NCR, India. The paper will aid three stakeholders of employability, the academicians, the students, and the industry practitioners.

Keywords: Employability; B-school Graduates; Recruiters perspective; Skill Development; Skills; Skill Gap; Exploratory Factor Analysis

1. Introduction

Emerging from the neo-classical school of thought, the human capital theory formulated by Mincer (1962) and Becker (1993) showcases the importance of education and training in order to accumulate skills. HRD advocates an enhanced workforce which is attained by making an investment in training and education (Holton and Naquin, 2002). Employability is the primary focus of Higher education institutes; gaining the skills and expertise that are required to enter and sustain in the job market is employability (Yorke 2006). Thus, one of the primary reasons for students to invest in higher education is the procurement of employment (Saunders and Zuzel, 2010).

Management of Business Administration, MBA is a very popular program all over the world. MBA aids the business world by providing value (Bhatnagar, 2021). The program helps in providing industry-ready individuals to the corporates, driving the talent requirements of the corporates. Management education across the world has been designed to upgrade the skills of students by enriching them with the much-required business knowledge and managerial skills (Mihail and Elefterie, 2006). Besides MBA being a robust program, it is unable to serve the purpose for which it has been designed i.e preparing industry-ready individuals.

As per India Skills Report 2020, “Employability of India’s youth has remained stagnant for the past three years.” Management graduates in India face the concern of lack of employability pertaining to lack of proper education and practical knowledge (Bhatnagar, 2021), both areas are pre-requisite at work. The Assocham report published in 2016, reported the ability of only 7% B-School graduates from the top twenty Business schools to attain satisfactory jobs (Bhatnagar, 2021).

Skill gap has been a topic of discussion in multiple countries including India, Australia (Bist, 2020), South Africa (Ferreira et al., 2022). Taking the recruiters' point of view, this paper aims at exploring the factors that are required to enhance the employability of B-School graduates in developing countries.

This paper has been divided into four sections. The first section sets the literature premise, the second section provides the methodology that has been utilized to explore the factors enhancing the employability, the third section contains a discussion regarding the factors that have showcased high factor loading, the fourth section presents the conclusion, implications, and limitations. This research is both theoretical and practical.

2. Literature review

2.1 Concept of Employability

Employability is not a new concept, the historical trace of employability is found to be a century old. A detailed study undertaken by Gazier (1998a, 1998b, 2001) gave an insightful overview of employability by revealing seven differentiating operational versions of the of employability. Employability is the ability to attain a job and further sustain it by procuring growth through promotions with the same employer (Hillage and Pollard, 1998).

Blunkett (1999) stated employability as aiding the prospective employees to be well-skilled and well-qualified for the labor market. It is increasingly clear that a discipline-specific degree is no longer sufficient for employers (Brown and Hesketh, 2004; Tomlinson, 2008). It was mentioned by, Sakthivel (2013), having the necessary skills to fetch a job for oneself in a job market is what is known as employability.

Tran (2015) focussed on the importance of the involvement of stakeholders, namely universities, graduates, employers, and educational policymakers in enhancing the employability of students to bridge the gap. Bennett (2016) suggested, employability is not just finding a job, instead, creating and sustaining "meaningful work across lengthening working lives and multiple work settings." It has also been suggested that employability is not just the potential to solve the existing problem it is the attitude to find out the emerging problems and develop a backup (Peeters *et al.*, 2019), this can be undertaken by employing multiple skills possessed by the B-school graduates. As per Buheji and Buheji (2020), procuring and consistently working in a job during most challenging times is termed employability. The current research aims at finding the skills that are required to enhance the employability of B-school graduates in the area of Delhi/NCR, India.

2.2 Factors impacting employability

Employability skills of B-school graduates has been an area of concern. The attention on soft skills is extremely meagre, whereas its need is huge (Bridgstock, 2017).

Irwin *et al.* (2019), indicated that 87% of employers consider work experience as valuable when selecting candidates. Multiple other studies including Irwin *et al.*, (2019); Maini *et al.*, (2021) also focus on the importance of skill development during internships. Live projects also aid in lessening the skill gap (Andrews and Russell, 2012). Domain-specific and value-added certifications fasten the process of learning (Carmenado *et al.*, 2010). Nawaz and Reddy (2013) marked adaptability is a key trait in order to work well in an organization, it enhances the employability. Bejakovic and Mrnjavac (2020) focussed on the importance of digital literacy in the labor market and underlined the

importance of digital literacy and digital skills. Baird and Parayitam, (2019), submitted that while at work, the interpersonal skills of an individual decide upon the level of connection building with colleagues. Collet *et al.* (2015) showcased the role of leadership skills in employability. Along with knowledge and interprofessional collaboration, leadership also emerged to be a prominent skill. Attri and Kushwaha (2018); Pauceanu et al. 2020, brought out the key role of communication skills in being industry ready. Baird and Parayitam (2019) marked that analytical skills are salient to procure employment (Baird and Parayitam, 2019). Motivation is also a key skill that is required in graduates when getting hired for corporate houses (McGunagle and Zizka, 2020). Prokou (2008) marked the trait of being curious and continuous learner as important. Mishra et al. (2016) revealed empathy as a crucial determinant of employability. McMurray et al. (2016) opined a huge lack in the commercial awareness of the students that has been found as a key gap among the business graduates. Matsouka and Mihail (2016) added flexibility as a key skill, flexibility is marked both as a generic skill and high order transferable skill considering it apt for employability. Holmes (2013) added ability to negotiate while at the workplace especially for certain designations offered by the corporates as a key skill for employability. Zelealem et al. (2011) revealed that being an initiator is a much-required trait in the B-school graduates. Curiosity is also a quality that must be possessed by the business graduates.

3. Research Methodology

3.1 Item Generation and Selection

A thorough review of the past literature was made and it was found that the factors impacting employability revolved around an individual's prior experience, digital efficacy, ability to communicate, adaptability, flexibility, curiosity, negotiation, knowledge about the corporate landscape, empathy and ability to motivate.

A three-step methodology has been undertaken in the current research. As discussed first of all a review of the literature has been undertaken, after the literature review a total of 49 statements were finalized to be put in for checking the validity of the content, in order to check the validity of content an expert opinion was undertaken, pilot testing was undertaken and post that Exploratory factor analysis was run to understand the factors that enhance the employability of B-school graduates.

3.2 Expert Opinion

The initial statements were subjected to an expert panel review for content validity. Recruiters from BFSI, Manufacturing, Software, and Retail sector were looped in for the same, along with the academicians. Since these are among the top hiring sectors for B-school graduates as per Wheebox report (2022). Ten statements were found to be repeated and non-unique. The applicability of the constructs that have been identified during the process of literature review and their appropriateness in the post-covid job paradigm was determined. A set of 39 items was retained.

3.3 Data Collection

The questionnaire having a set of 39 items utilized a five-point Likert scale (1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, 5= Strong Disagree). The questionnaire was floated among the Human resource managers in the Delhi/NCR, India. A database was prepared taking the help of some B-Schools. The regular recruiters that come every year to recruit from the campus were contacted. A total of 929 emails were sent, out of which 521 responses were attained.

3.4 Pilot study

Further, reliability and validity were determined. In order to test the reliability of the survey, the value of Cronbach Alpha has been recorded as 0.742 depicting high reliability. As per Hair et al. (2010), the higher the value of Cronbach Alpha the better is reliability. In order to check the validity, pilot testing had been undertaken. As suggested by Ticehurst and Veal (2000), a small sample was utilized in the current research. The results procured from the pilot were not analyzed and integrated, however as suggested by Aliu and Clinton (2021), a pilot can also be utilized to fine-tune the overall structure and grammatical presentation of the instrument.

4. DATA ANALYSIS

As discussed above 39 items were identified to understand the skills required by B-school graduates to be employable. The 39 items were then subjected to Exploratory Factor Analysis. Statistical Package for the Social Science (SPSS) version 26 has been utilized to run EFA on the data collected. The results depicted satisfactory coefficients from the communalities extraction table, depicting the suitability for factor analysis (Table 1). The amount of variance explained in each variable by the factors that have been extracted, is explained by the communalities (Watson, 2017). The value of communalities should be between 0.40 to 1.0 (Pett et al., 2003), the current case all the items are showcasing the communalities within the desired range.

Kaiser-Meyer-Olkin (KMO) examines the sampling adequacy to examine the suitability of factor analysis. To be appropriate, the KMO must be at least 0.60 (Tabachnick and Linda, 2012). For the given data, the KMO is 0.691 showcasing the appropriateness of Factor Analysis (Table 2). The Barlett test of sphericity, a test that is employed to test the hypothesis that the items given are correlated in the population suggesting population correlation matrix is an identity matrix (Singh *et al.*, 2018) is showcasing a high chi-squared 13227.737 with an associated significance level (Sig.) 0.000, which is less than 0.050 (Table 1).

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			0.691
Bartlett's Test of Sphericity	Approx. Chi-Square		13227.737
	df		990
	Sig.		0

The result suggests the suitability of EFA as the variables are factorable (George and Mallery 2003). As per the criteria eigenvalues greater than one is to be retained. (eigenvalue >1; Kaiser, 1960). A total of seven factors with eigenvalues above 1 are retained.

5. Discussion

A comprehensive view regarding factors enhancing the employability of B-school graduates in developing nations has been drawn and discussed in this section. Work related understanding containing statement pertaining to work experience, live projects, certifications, and internship has explained considerable variance. The corporate wants to hire individuals who possess adequate knowledge and work experience, live projects, various value-added and domain-specific certifications. Having a considerable experience of IT has also emerged as a crucial factor explaining.

Technical savviness positively impacts employability. Interpersonal Skill is the third factor whereas adaptability is the fourth factor impacting the employability of B-School graduate. Leadership skills and Analytical skills are also considered important. Communication Skills are also extensively important for the employability of B-School Graduates.

6. Conclusion and Implications

The industry as per the literature review undertaken has always taken the employability of B-school graduates as a primary concern, there is an evident gap between the skills demanded by the industry and the skills possessed by B-school graduates. The current research can be considered noteworthy due to two major reasons, firstly it has contributed to the existing literature, and secondly, it has explored the skills enhancing the employability of B-school graduates as per recruiters' point of view in developing nations aiding the developing nations in bridging the skill gap.

Employability is an outcome of modern education (Bhatnagar, 2021), it has to be thoroughly developed. This paper will have implications for three major stakeholders involved in the employability of B-school graduates. Firstly, this paper will aid academicians in understanding the gaps moreover filling them with the required skills by the corporates. Secondly, the research has implications for B-school graduates. They can take an introspective approach towards the skills possessed and match them with the skills. Thirdly, this research may also aid industry practitioners to design orientation courses to bridge the gap after the hiring of B-school graduates.

7. Limitations and future research direction:

Whilst the current research undertaken is novel in the arena that it has explored skills enhancing the employability of B-school graduates in Delhi/NCR, India. There are majorly two limitations of the study, firstly the study has just explored the factors enhancing the employability of B-school graduates, further research can be facilitated by using multiple statistical techniques including confirmatory factor analysis to further understand the factors impacting employability, and scale development for assessing employability. Secondly, the generalizability of the results is limited as the research has just been undertaken for the area of Delhi/NCR, India.

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