

SKILLS AND EMPLOYABILITY OF HUMAN RESOURCE MANAGEMENT GRADUATES IN SRI LANKAN UNIVERSITIES: FROM EMPLOYERS' PERSPECTIVES

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Abstract

The purpose of this study is to identify the perception of employers towards employability skills essential by HRM graduates who graduated from Sri Lankan universities. Employable Graduate is one of the key attentions over the local university system in Sri Lanka where it is a vastly debated area on the fact due to the belief of state university graduates are deficient the required employability skills that are expected from a graduate. The study used a quantitative approach and data was collected using questionnaires. The sample was selected using random sampling technique from banking sector. Data were collected from 60 employers represents the managerial and non-managerial levels of employees in banking sector where the HR graduates are attached to work in HR department. Data were analyzed by using descriptive, bivariate and regression analysis. The results show that there is significant impact of graduate skills together with employability of those graduates especially learning skills, problem solving skills and communication skills. It can be concluded that there is a significant impact of problem-solving skill. Respectively all the graduates' skill does not have significant and positive effect on employability separately. It is concluded that skills are needed by graduates entering the HR profession & also graduates want to fulfill employer's expectations in terms of qualifications, competencies and other requirements in HRM job opportunities of job market in Sri Lanka.

Keywords: Skills; Employability of Graduates; Employers' Perspective

Introduction

Sri Lanka is still a developing country. It has a high level of natural beauty and certain strengths including its people some of whom are highly intelligent and promising in terms of productivity improvement and innovation. It is a key factor of the wealth and prosperity of a nation. One of the main objectives of the education, particularly of higher education, is to prepare students to pursue different careers in a country. So Employable Graduate is one of the key considerations over the local university system in Sri Lanka where it is a highly argued area on the fact due to the belief of state university graduates are lacking the required employability skills that are expected from a graduate (Ariyawansa, 2008; Sculz, 2008). Herath and Ranasinghe (2011) stated that employers in Sri Lanka always favor to recruit more qualified employees to their organizations. Subsequently, employers often select professionals than graduates, since they trust with their experience that professionals are more qualified, skillful and more work oriented than business graduates. The researchers further explain that this problem appears to be instigated by several factors including the relatively poor skills in graduates in wide-ranging, a perception among many private sector employers that business graduates lack the qualities of attitudes and skills needed to work efficiently in the private sector, poor relationship between the industry and the

universities and outdated curricula of study programs which cannot meet the employers' expectations. Herath and Ranasinghe (2011) further highlight that even if the situation is favorable for the graduates there is no any guarantee for them to be recruited. It basically depends on employers' needs and expectations and also on the quality and skills of business graduates. Researchers say business graduates have more or less the required 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. Hence the business graduates of Sri Lanka should improve the essential skills, attitudes and qualities, especially English language proficiency and ICT skills, in order to produce a good demand for them in the available job market and to complete with other professionally qualified employees.

Senarath and Patabendige (2014) have recognized that there is an education mismatch among the graduates in Sri Lankan job market. Based on the research findings, the researchers are stressing that the vertical mismatch is not a very strong problem among Sri Lankan graduates compared with other countries especially as in Europe. Researchers specified that the Sri Lankan graduates face a formal mismatch rather than a real mismatch; that may be a temporary situation in the graduate labour market due to the information dissemination irregularity and lack of experience. Furthermore, Senarath and Patabendige (2014) also say that there is a positive correlation between horizontal mismatch and skill underutilization. Accordingly, researcher claims that the horizontal mismatch is the real mismatch among the graduates. Therefore, the higher education authorities should concern more on this issue. The researchers added further the higher education system in Sri Lanka does not comply with the job market requirements. Especially, with regards to the graduates in the management field, though there are adequately of job opportunities available for the graduates who followed the management degree program, they find it hard to find job opportunities which are most applicable for their field of study which make them incompetent to utilize their expertise and skills they have acquired from the learning process.

Employable graduate is a key national interest area due to the fact that several billions of rupees are invested on the national education system which is include of the 15 state universities in Sri Lanka. Therefore, the returns of investment of education are a highly researchable area as if the returns are not to be reaped from the investment on education especially for the university education which is not provided free of charge in most of the other developed as well as developing countries.

In many situations, the reality is that the qualification along does not help enough to find a job because of the mismatch between the demand and the supply of the job market. Therefore, some graduates have to be engaged in irrelevant jobs mostly under low salaries while some of them have to be unemployed and waiting for a long time mostly until the government provides opportunities. Such graduates will become a burden not only for their families but also to the whole country. So, it is important to identify why graduates cannot find suitable jobs as soon as they pass out from universities. This research would be valuable to the HRM graduates who are study in state university in Sri Lanka. Different types of skills are explored to determine which type of skills is most attractive to the employer and which ones are essential to enhance employability of HRM graduates. This study helps to find out the type of skills they should have and how they are to achieve them must be explored. Further, the findings of this study are more important for Sri Lankan universities and HRM graduates to identify and develop employability skills that are valued by the employers to bring to the workplace and to eliminate the unemployment of HRM graduates.

The main problem that the country's higher education sector faces employment opportunities available to graduates and number of graduates searching for employment opportunities at any given point of time. Finding a suitable job after graduation is a substantial challenge for most of the university graduates in the country. This could be a reflection of the lack of opportunities shaped by the economy as well as the skills mismatch between the graduates produced by the universities and the market requirements. The

main objective of this study is to examine the gap between skills and employability of HRM graduates in Sri Lanka. This study investigates whether the graduates in the field of HRM who produces by national Universities in Sri Lanka have equal and sufficient employment opportunities to labor market. So that the main aim of this study is to identify the level and required skills of HRM graduates where their requirements from employers' perspectives.

Theoretical Framework

Literature has exposed significant findings on impact of skills on employability of HRM graduates in Sri Lanka. The Cambridge English dictionary define skill is an ability to do an activity or job well. According to the Marriam Webster skill is the ability to use one's knowledge effectively and readily in execution or performance. A skill is referred to the learned ability in order to generate predetermined results with concentrated certainty, often with the minimum amount of time or energy or both. There are two kinds of skills are available. That is technical skills & Soft skills. Those both types of skills are essential for success. Hard skills include technical or administrative competence". Soft skills are commonly used to "refer to the "emotional side" of human beings in opposition to the IQ (Intelligent Quotient) component related to hard skills". Hard and soft skills are usually defined as similar concepts or complements. This fact demonstrates how these two different types of abilities are strictly related. Soft skills are a cluster of productive personality traits that characterize one's relationships in a social environment. These skills can embrace social graces, communication abilities, language skills, personal abilities, cognitive/emotional empathy, time management, and teamwork & leadership traits. Corey Blech define Hard skills are workers talents and abilities that can be measured. They are usually specific to a particular job, and they can be learned through schooling or on the job training. Soft skills are less defined skills that often apply not only to one specific job but are universal. (Kapur, 2018) classified the various skills, those are literacy skills, technical skills, sports skills, artistic skills, communication skills and managerial skills. Katz (1974) conferred, each skill category independently, the skills are interrelated when applied to managerial problems. He further posits that there is some ideal, but different mix of these skills which is required at each managerial level within the organization.

A skill is the learned ability to carry out a task with pre-determined results often within a given amount of time (Ayonmike & Okeke, 2016). According to the Ravitz et al. (2012), 21st century skills were potted as the combination of critical thinking skills, collaboration skills, communication skills, creativity and innovation skills, self-direction skills, local and global connection skills, and information communication and technology skills in a specific.

Employability Skills

Employability Skills can be defined as the transferable skills needed by an individual to make them 'employable'. Along with good technical understanding and subject knowledge, employers often outline a set of skills that they want from an employee. These skills are what they believe will equip the employee to carry out their role to the best of their ability. Employability depends on your knowledge, skills and attitudes, how you use those assets, and how you present them to employers. ILO defines employability skills as: the skills, knowledge, and competencies that enhance a worker's ability to secure and retain a job, progress at work and cope with change, secure another job if he/she so wishes or has been laid off and enter more easily into the labor market at different periods of the life cycle. According to Senarathna (2004), employer expectations of HRM Graduates include knowledge and skills of HR and related areas, leadership skills, interpersonal skills, communication skills, listening skills, negotiation skills, and other soft skills. For now, employers required soft skills rather than hard skill (Graham, 2017). 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. In the present study, the level of these skills in the HRM

Graduates will be examined to determine their impact on employability. Belt, Drake and Chapman (2010) have revealed that the employability relates to the ability to be in employment and that the ability to sheltered employment or the ability to sustain employment and to progress within the work as employability.

Employability of Graduates

Employability means that institutions and employers have supported the student knowledge, skills, attributes, reflective disposition and identity that graduates need to succeed in the workforce. From the 1980's onwards a focus emerged on employability within the Higher Education (HE) context including the promotion of initiatives to develop employability such as internships and work experience. Garrouste and Rodrigues (2014) considering the employability of graduates, concludes that the probability of having a permanent and full-time job is higher in the fields of social sciences, business and law, engineering. According to (Paadi, 2014), Graduate employability is the ability of graduates to secure jobs in the labor market, being equipped with most of the skills most envisaged by the employer and the ability to participate and contribute to the knowledge economy by applying what they learned in higher education and also improve their social standing and the country's economy. Teamwork, effective communication, adaptability to change, positive and flexible attitudes, continuous learning, self-confidence, willingness to take risks, and a commitment to personal excellence are all characteristics identified with employability. Yorke and Knight (2006) in an attempt to define employability focused on graduate employability. Yorke and Knight (2006), define employability was as "a set of achievements (skills, understandings and personal attributes) that make graduates more likely to gain employment and be successful in their chosen careers, which benefits themselves, the workforce, the community and the economy.

Weligamage (2009) identified the employable such as communication, teamwork, problem solving, planning and organizing, technology, self-management and initiative and enterprise skills are essential skills required by employers while work-related experience is also a vital aspect considered in recruitment of management graduates. It was also suggested by many business organizations that educators should review and re-develop their curriculum and change the delivery mode to support the development of the above skills and attributes. Ariyawansa, (2008) suggests that training and experience is one of the major factors determining the employability of the graduates while proficiency of English language, IT skills, leadership qualities, analytical ability, team work and interpersonal relations are some additional competencies expected by the employers.

Research Methods

The objective of the study is to identify the differences of perspectives of employers towards employability skills of HRM graduates once graduates are applying for entry level jobs. This is a field study and no artificial or manufactured setting was created for the study. This study was purely based on primary data. Data needs to be collected from the employers of banking sector in Sri Lanka. The currently, Sri Lanka has six licensed specialized banks and 24 licensed commercial banks. Therefore, the population of the research can be taken as the total 60 employers from 30 banks. Out of the overall HR department employers 60 numbers of employers were chosen from Colombo district banking sector. With the collection of literature evidences this study hypothesized that the employability skills may impact the employability of HRM Graduates in Sri Lanka. Employability skills measured through problem-solving skill, communication skill, information technology skill, adaptation skill, interpersonal skill & learning skill. Undergraduate Employability which is measured by the type of job which is based on the measurements mentioned by Harvey et.al. (2002). The variables in the conceptual framework can be graphically represented as below.

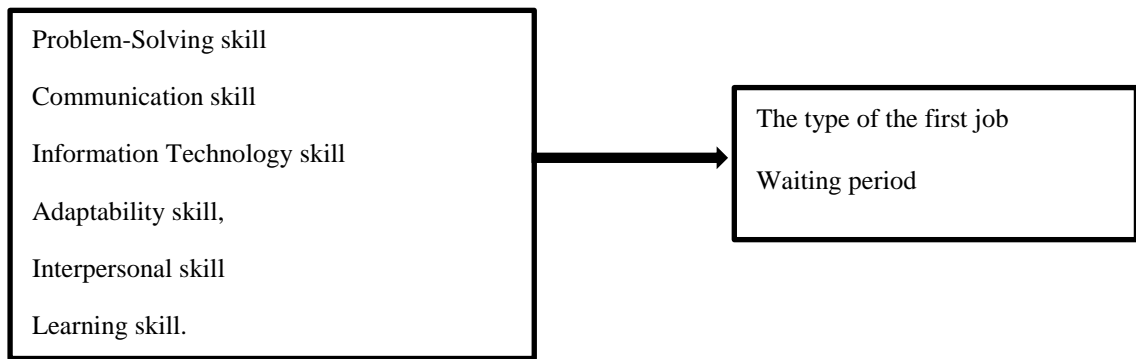


Figure 1: Conceptual Model

Results and Findings

Reliability analysis was carried out in order to test the internal consistency of the questionnaire. The Cronbach's Alpha value of questions with regard to the variables were as follows.

Table 1: Reliability Test Results

Measurement Scale	No of items	Cronbach's alpha	Type
Communication Skills	3	0.818	High Reliability
Adaptability Skills	3	0.941	Excellent Reliability
Interpersonal skills	3	0.921	Excellent Reliability
Information Technology skills	3	0.819	High Reliability
Learning skills	3	0.803	High Reliability
Problem solving skills	3	0.791	High Reliability
Employability HRM Graduates	20	0.794	High Reliability

According to the table 1, all the Alpha values are more than 0.7. It indicates the questionnaire is reliable.

Table 2: Descriptive Analysis

In descriptive measures, the mean values for each of these variables shows that the respondents generally agree to the statements.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Communication skills	60	3.00	5.00	4.3778	.56737
IT skills	60	3.00	5.00	4.3833	.56189
Adaptability skills	60	3.00	5.00	4.2944	.79331
Interpersonal skills	60	3.00	5.00	4.3111	.77110
Problem solving skills	60	3.00	5.00	4.4056	.53885
Learning skills	60	3.00	5.00	4.1778	.56069
Employability	60	3.45	4.80	4.1200	.28733
Valid N (listwise)	60				

It is clear that all the skills have almost agreed value for skills on employability of HRM Graduates. In addition, standard deviation was measured that how far one value range away from the mean. Value of Standard deviation for Communication Skills, Information Technology Skills, Adaptation Skills, Adaptation Skills, Interpersonal Skills, and Problem-solving Skills & Learning Skills are 0.67, 0.67, 0.80,

0.87, 0.53 & 0.66 respectively. It means to suggest that there were no higher disperse from mean value regarding above variables because all value was less than one.

In an attempt to investigate whether the independent variables are significantly related to levels of employability, correlation analysis was performed. Results of the correlation analysis are displayed at following table.

Table 3: Correlation Analysis of employability skills and employability of HRM graduates.

Dimension	Pearson Correlation	P-Value
Communication skills	0.526	0.000
Information Technology skills	0.519	0.001
Adaptability skills	0.504	0.001
Interpersonal skills	0.509	0.001
Problem solving skills	0.518	0.001
Learning skills	0.425	0.000
Employability	0.609	0.001

The relationship between all the skills and employability of HRM graduates have positive relationship and that relationship is significant because all the p- value are lesser than 0.001.

Table 4: Regression analysis of Employability skills & Employability of HRM Graduates

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.628 ^a	.695	.626	.23586

a. Predictors: (Constant), L, AD, PS1, CS1, IN, IT

The R Square value indicates how much of the dependent variable, employability of HRM Graduates, can be explained by the independent variables, Communication Skills, Information Technology Skills, Adaptation Skills, Adaptation Skills, Interpersonal Skills, and Problem-solving Skills and Learning Skills. R Square is obtained as 0.695. It suggested that 69.5% of variation in dependent variable is explained by independent variable. It is substantially high and therefore it is significant. Adjusted R Square refers to the modification of R Square that adjusted for the number of explanatories in a model. According to above result, Adjusted R Square value is 0.626. Standard error of the estimate explains the standard deviation of sampling distribution.

Table 5: ANOVA table of Employability skills & Employability of HRM Graduates

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.923	6	.320	5.760	<.001 ^b
	Residual	2.948	53	.056		
	Total	4.871	59			

a. Dependent Variable: DV
b. Predictors: (Constant), L, AD, PS1, CS1, IN, IT

Above findings indicate that 4.871 of total sum of square, 1.923 of variation can be explained by regression and 2.948 of variation of dependent variable employability of HRM Graduates is explained by residual. This model was fitted well. Regression model is statistically significant. Because (P=0.000<0.05) T value is <.001

Table 6: Coefficient summary of Multiple Linear Regression Analysis

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.528	.299		8.451	<.001
	Communication skills	.403	.737	.795	.546	.048
	Information Technology Skills	-.515	.779	-1.007	-.661	.511
	Adaptability skills	-.065	.346	-.181	-.189	.851
	Interpersonal skills	.189	.350	.507	.540	.592
	Problem solving skills	.239	.332	.448	.721	.047
	Learning skills	.120	.063	.234	1.916	.051

a. Dependent Variable: DV

According to table 6, constant (β_0) was 2.528 that imply that while all independent variables remain zero, dependent variable is 0.175. It means without independent variables; dependent variable is lower. P-Value of constant term was 0.001 and which stated it was statistically significant. In addition, most of the beta coefficient values represented positive values and thereby it is obvious that independent variables have positive impact on dependent variable. According to the regression results coefficient β is 2.528 which is significant at 0.001. It can be concluded that there is a significant impact of graduate skills on employability of HRM graduates in local university of Sri Lanka & also positive beta value represents there is positive impact on graduate skills on employability of HRM graduates.

Further, the results of the study emphasized that employability of graduates depends on the problem-solving skill, communication skill, information technology skill, adaptation skill, interpersonal skill & learning skill. The most influential variable on the employability is learning skills ($t=1.916$, $p=0.051$). The second factor is problem solving skills ($t= 0.721$ and coefficient β is 0.239 which is at 0.047. It can be concluded that there is a significant impact of problem-solving skill on employability of HRM graduates. Third influential factor on employability is communication skills which shows ($t= 0.546$) while the coefficient β is 0.403 at 0.048 explained that there is a significant impact of communication skill on employability of HRM graduates. In addition to that, another coefficient β is -0.515 is at 0.511 which can be concluded that there is not significant impact of Information technology skill on employability of HRM graduates. The coefficient β is -0.065 which is at 0.851, concluded that there is not significant impact of adaptation skill on employability of HRM graduates in local university of Sri Lanka. coefficient β is 0.189 which is significant at 0.592. It can be concluded that there is not significant impact of Interpersonal skill on employability of HRM graduates, were the coefficient β is 0.120 which is significant at 0.061, concluded that there is not significant impact of learning skill on employability of HRM graduates in local university of Sri Lanka

Conclusions and Recommendations

According to descriptive statistics, the objective demonstrated that employers are highly agreeing with graduates' skills are impact on employability of HRM graduates in Sri Lanka. As a whole, current situation of employability skills of employers' perspective is at a satisfactory level. The findings reveal that undergraduates, who are about to graduate, prefer to have these skills that employers prefer undergraduates to possess whole these skills despite the fact that there are some differences in their preferences.

Employability skills are those that help HR professionals to decide between two qualified candidates who are applying for the same job. So, these studies show that the future workforce will require undergraduate to develop employability skills, such as communication, adaptability skills and problem

solving to be successful but university current education system does not yet provide enough training for undergraduate to develop these skill sets. Usually, university students have basic IT skills and communication skills & English proficiency before entering the university. If students are qualified with such basic skills when entering to the university, then it will be possible to train students providing necessary guidelines for the expected capacity development. University system should provide compulsory internships. Internships help undergraduate to gain a competitive edge in the job market, building their interpersonal skills and exposing them to a new professional network. University system should offer a number of workshops that provide valuable leadership and guidance through all stages. It will help to develop their social skills and networks in order to increase their employability skill. University education focused on development of skills which are expected by employers.

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