



THE EMPLOYABILITY SKILLS PERFORMANCE OF BUSINESS GRADUATES IN MALAYSIA: DO EMPLOYERS, GRADUATES AND ACADEMICIANS SPEAK THE SAME LANGUAGE?



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ABSTRACT

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Employability skills may implicate and reflect the employment opportunity especially among the new graduates. This study aims to compare the performance of employability skills among new business graduates in Malaysia base on stakeholder perceptions; they are the employer, academician and new graduate. Besides, is to identify if there is any significant difference between their opinions. Three sets of questionnaires were established to evaluate employability skills; they are basic, applied, interpersonal and 21st-century skills. The result revealed that stakeholders rated the performance of new graduate high and interpersonal skill is the most performed. The result also revealed that they speak in a different language in which specific skills is the most important than the others. Accordingly, recommendations and limitations highlighted in this study.

Contribution/ Originality: This study contributes to the existing literature that provides practical evidence on the role of employers, academicians, and graduates in the employment opportunity. Besides, to offer the stakeholders some clear picture on current employability skills gap that links directly to the performance and sustainability of organization and country as the whole.

1. INTRODUCTION

Malaysia embarked on a Transformation Nasional 50 (TN50), aims to become a Top 20 nation by the year 2050. To realize this vision, Malaysia needs to attract high-quality investments that would create more high-paying, high skilled jobs for the local workforce. The quality of the workforce needs to increase otherwise the

vision is an only vision. Therefore, it is job institutions of higher learning (IHLs) to take full responsibility for preparing students for the demands of the workplace (David *et al.*, 2017).

Since the roles of IHLs are very crucial in producing quality graduates, the government takes several footsteps to control the quality of teaching and to learn in HEIs. It starts with the establishment of Malaysian Qualifications Agency (MQA) act as quality control, quality assurance and as the accreditation of courses in HEIs. Next, SETARA, it is to measure the performance of undergraduate teaching and learning in universities and university colleges in Malaysia. Finally, Discipline-Based Rating System (D-SETARA), it is to assess the quality of teaching and learning in HEIs by rating their level quality of teaching and learning of specific (clusters of) disciplines at level six (undergraduate level) of the Malaysian Qualifications Framework (MQF) in universities and university colleges

On top of that, Talent corporation also assists the new graduate employment opportunity by improving their employability skills such as Degree++, entrepreneurship, internship, career fair, bridging gap programme, apprenticeship Programme, finishing school. The latest is "Skim Latihan 1Malaysia" (SL1M) to enhance the young graduates' marketability with appropriate skills, knowledge and working experiences throughout the training process provided by industry. As a return, the participant company entitles for double tax deduction incentives.

Despite putting in place various precaution and quality controls; the issue is not slow down. The employer still complained of the quality of new graduates. Islamic banking institutions (IBIs) reported a shortage of talent, they claimed, the industry needs a 200,000 workforce by 2020, however, for now only a 17,621 workforce is available in the IBIs (Mohd *et al.*, 2016). Alternative such as talent management practices, talent development, knowledge management, social media, performance management, and rewards fail to overcome shortages (Hosen *et al.*, 2018). On another hand, new graduates also faced the struggle to enter the labor market (Yusof and Jamalud, 2015).

Base on above discussion, this study investigated the factors contributes to such occurrence; by identifying the stakeholder opinion, they are employers, academician, and new graduate on which employability skills more critical than the others. Besides, is to determine if there is any gap in their perception of employability skills that required by industry. For the study, the employability skills define as the skills required by the industry as the factors for the industry to decide on hiring new graduates. They are basic skills, applied skills, interpersonal and 21st-century skills.

2. LITERATURE REVIEW

2.1. Employability Skills

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. For now, employers required soft skills rather than hard skill (Deryn Graham, 2017).

Literature shows that new graduate feels they ready to enter the job market. Erni and Suhana (2015) found most students claimed that they were ready and aware of employability skills required by industry. However, the employers said they do not and the skills possessed by new graduate is not up to their expectation (Tharunya and Kottawatta, 2014). Finally, Makki *et al.* (2015) proposed a work readiness framework which integrates workplace readiness skills, career self-efficacy and career exploration used to evaluate the graduates' level of work readiness skills.

The employers further claimed that the quality of universities graduates remained consistent in a decade and low in term of performance rating (Shah *et al.*, 2015). More ever, they were lack confidence particularly in areas of professional management skills (Wang and Tsai, 2014) besides technical/applied skills (Erni, 2015). Furthermore, employer and graduate said differently on employability skill (Mohamed and Noor, 2013; Erni, 2018). However, students and lecturers share similar perspectives on the importance of employability (Paterson, 2017).

Employability skills required by employers are interpersonal relations, coping with emotions, self-awareness, and empathy (Al-Alawneh, 2014). Meanwhile, Tanius *et al.* (2017) said knowledge and technical skills. Finally, AL-Mutairi *et al.* (2014) said, soft skills and ability to work within groups.

2.2. Employability Rate

Employability is the ongoing process and includes a collection of knowledge, skills, abilities, and others attribute that vary from individual to individual. Ministry of Education reported that only 53% of the graduates in 2015 employed within six months of graduating. 54% of them earned less than RM2, 000.00 a month (Kumar and Remadevi, 2015).

Current picture employers criticized that Malaysian graduates as far from ideal and those graduates from private universities are better than public universities (Cheong *et al.*, 2016). Changes in graduate attitude, a collaboration between employers and universities and promoting a conducive environment for the development of entrepreneurship among graduates can reduce unemployment among graduates in Malaysia (Che and Shanmuganathan, 2016).

3. DATA AND METHODOLOGY

Three sets of a similar questionnaire distributed to 301 employers, 301 academicians from five universities and another 301 new graduates to collect the data. New graduates define as final year students who undergo internship in industry. The questionnaire encompasses personal profile and question items related to the study variables of the current investigation. There are 10-items to measure Basic Skills, 10 applied skills, 11 for interpersonal skills, 12 items 21st-century skills and five items for the employment opportunity, finally ten items for the background of the respondent. The 5-point Likert scale adopted in this study and the statistical analysis of the results was performed using the IBM SPSS Statistics (SPSS) package.

4. RESULTS

4.1. Demographic Profile Data

The questionnaire survey completed within six months. Resulting in the 100% response rate, a total of 903 sets (301 from each group (employer, academician, and new graduate) of usable data were coded and analyzed. Mainly the respondent is female (51.8% - industry, 51.8% - academician, and 76.4% - student). The majority is Malay (69.4% - industry 83.7% - academician, and 69.1% - student). For academician largely is lecturer with MSc qualification, and have experience between 6-10 years. Meanwhile, 53.2% of employer qualification is a degree with the main position as an executive (41.5%) and had to experience within 2-5 years. Finally new graduate originates from Selangor (60.1%) and Sabah (12.6%).

4.2. Employability Skills

As the whole, as shown in table 1, respondents have agreed that graduate performed well in interpersonal skill. However, further discussion shows disagreement among them. Table 1 shows employer and academicians rank the performance of new graduates in 21st-century skills in the third, however; graduate felt they are better, in second. It similar to applied skills, both academicians and graduates grade it fourth place but employer rated as second. Finally, all of them have differed opinion on basic skills; employer levels it at fourth, academician was second and graduate as third.

Table-1. Comparison of importance given to Employment Skills

	N	Industry		Rank	Academician		Rank	Graduate		Rank
		Mean	SD		Mean	S.D		Mean	S.D	
Total BS	301	44.99	5.583	4	45.2159	5.32258	2	41.6179	5.96966	3
Total AS	301	45.8505	4.64481	2	43.5482	6.70387	4	40.9336	7.11259	4
Total IS	301	50.1827	5.21183	1	48.4618	3.58925	1	46.1362	6.30011	1
Total CS	301	45.3455	5.66571	3	44.1395	3.48049	3	43.6977	4.02057	2

BS- Basic Skills; AS - Applied Skills; IS - Interpersonal Skills; CS- 21st Century skills.

4.3. Basic Skills

Result in table 2; industry claimed, graduates well on the understanding of documents, Microsoft office and the ability to present ideas to others. Meanwhile academicians prone to communicating in English, the ability to express an idea clearly, and paying attention to others, finally graduate performed on graphs and tables, finding info, as well as Microsoft Office.

Table-2. The top five performed of basic skills.

Rank	Employer	Mean	Academician	Mean	Graduate	Mean
1	Understand work documents	4.608	Communicate in English	4.6944	graphs and tables	4.2458
2	Microsoft office	4.6047	Express ideas	4.6279	Finding info	4.2226
3	present ideas to others	4.5781	Paying attention	4.5748	Microsoft office	4.2126
4	Express ideas confidently	4.5382	Speaking fluently	4.5449	Paying attention to others	4.2093
5	Paying attention to others	4.5249	Understand work documents	4.505	Express ideas	4.1362

Source: Finding the study

4.4. Applied Skills

On applied skills, again stakeholder has a different judgment. Employer place the ability to step outside their comfort zone, the academician, said an eye for detail; graduate said their good in innovation. The result in table 3 also indicates stakeholder agreed that eye for detail includes in the top five important of applied skill but they rank it differently, employer -third, academician - second and graduate in the third place it in fifth.

Table-3. The top five important of applied skills

No.	Employer	Mean	Academician	Mean	Graduate	Mean
1	Step outside a comfort zone	4.6977	Eye for detail	4.6944	Innovative	4.2957
2	Highly organized	4.6478	Problem-solving skills.	4.6279	Self- directed	4.2924
3	eye for detail	4.6412	Self- directed	4.5748	Step out comfort zone	4.1827
5	Problem-solving skills	4.6246	Innovative	4.505	eye for detail	4.0997

Source: Finding the study

4.5. Interpersonal Skill

All respondent agreed that work in a team is the top five performed interpersonal skills by the graduate. They rank it contrarily, employer - second, academician - first meanwhile graduate put as third. The scariest contradict result appeared in the item of honest and showed integrity, which is the top by the employer but not in the list of academician and graduate. The detail is in table 4.

Table-4. The top five performed of interpersonal skills

1	honest and show integrity	4.7209	work in a team	4.9468	Accept criticisms	4.299
2	work in a team	4.6645	influence others	4.4551	Easy to work with	4.2824
3	Easy to work with	4.6146	differ environment	4.4286	work in a team	4.2292
4	differ environment	4.588	Confident and matured	4.4252	Confident and matured	4.2193
5	differ work & personal	4.5382	interact well	4.3754	interact well	4.2159

Source: Finding the study

4.6. 21st Century Skill

Finally, table 5 shows, employer, and academician agreed the ability to do multiple assignments is the most performed, but graduate said not. In the ability of handling pressures, all have a similar opinion, but rate differs, employer and graduate – three and academician – four. Graduate claimed the ability to adopt change is the first rank, which is the employer put it as fourth.

Table-5. The top five important of 21st-century skills

1	multiple assignments	4.6977	multiple assignments	4.8538	Adapt to change	4.4385
2	Work under challenging	4.6478	Research skills	4.5216	organization's success	4.4319
3	Handling pressures	4.5648	look beyond job duties	4.4551	Handling pressures I	4.4252
4	Adapt to change	4.5249	Handling pressures	4.4153	today's global economy	4.412
5	Highly motivated	4.5083	challenging deadline	4.3887	Professional expertise	4.4086

Source: Finding the study

4.7. The gap of Stakeholders Opinion

Figure 1 shows that there is a gap of stakeholder opinion on the performance of employability skills, with the highest, is between employer and graduate in applied skills base on Mean Score (MS), industry 45.85 meanwhile students 40.93. Next, is interpersonal skills, MS 50.18 and 46.14. In basic skill employer and academician share the same MS – 43.55 but graduate 41.62.

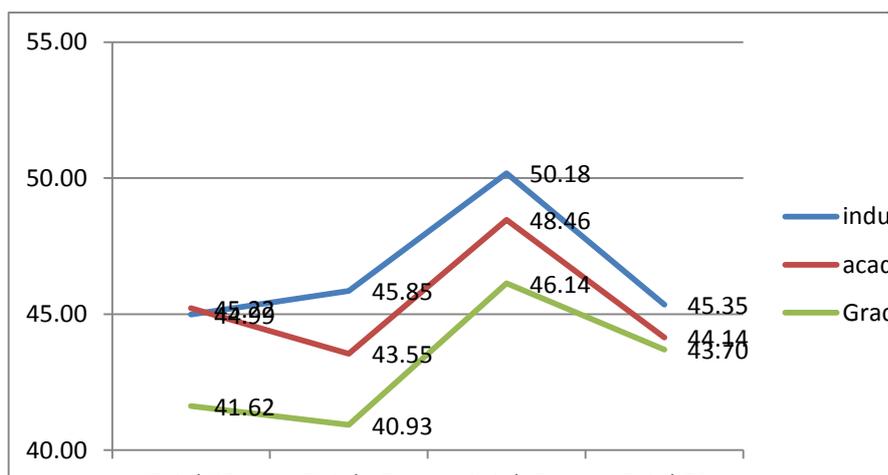


Figure-1. The gap of stakeholder's opinion

Source: Finding the study

5. DISCUSSION

Unanimously, respondents highlighted the high performance of the graduate on the employability skills and agreed interpersonal skill becomes the most crucial skill that is looking by industry. The depth analysis found that stakeholders speak in their word and sometimes is conflicting with each other. For instance, in basic skill, employer stresses that understanding work documents have the performed skills but academician place it in bottom five and graduate not include it in top five skills.

It worsens in interpersonal skills, employers stressed the honest and showed integrity as the most performed, but the academician and graduate do not agree. Finally, both the employer and academician believed that a graduate could do multiple assignments but declined by the graduate. The result also shows that there is a gap in stakeholder opinion on employability skill with the most gaps are in applied skills and the least in 21st-century skills.

Base on the above discussion, it suggests that collaboration and partnering with industry needed. Other than that, they should include the employability skills in all university curriculums, besides, improve and increase access

to Work Integrated Learning (WIL). Training for new academic staff is inevitable to update their knowledge on employability skills. Finally, the university may send their academicians to join industry or create industry chair, as a control element and disseminate new or update employability skills.

Simultaneously, the government as the controller needs to look back on their policy, make sure any new initiative should benefit all stakeholders. Standard Operating Procedure (SOP) on internship is crucial to make sure none of the party abuse it. The penalty for the breaking of this rule must clearly state as some irresponsible employer may take this opportunity to have cheap labor as well as getting the double tax deduction.

In conclusion, the Employability Skill Framework should be established by committee group lead by the employer with a mutual understanding of what employability skills needed from new graduates for them to be hiring. The committee should include employer, academician, and government representative. Having a common language to describe vital employability skills will be able to reduce the gap perception among the stakeholders.

6. LIMITATIONS AND FUTURE RESEARCH

Even though this study represents the opinion of the primary stakeholder, employer, academician, and graduate but there some limitation found in this study. First, the factors contribute to unemployment among the graduate in this study is employability skills but in reality, there many other factors include the economic and attitude of the new graduate. The further studies could introduce other factors such as graduate motivation, quality as well as external factors. The second limitation is the graduate respondent only business student; therefore, findings cannot be generalized. So, the future study may replicate of this study and conducted in different programs so that the comparisons can make. Finally, since this study uses a questionnaire to collect the respondent perception, so the results are limited to their honesty and seriousness in answering questions. Hence, the study recommended that the mixing method should be used in the future study so that we can balance it the result.

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