An Exploratory Study of Factors Affecting Employability Skills of Management Graduates in India: (With special focus to Sagar District, Madhya Pradesh).

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Abstract:

Employability means a set of skills or abilities that are needed to get a job. Enhancing the employability skills of management students is a really challenging job for management institutes or colleges. Today, management education deals with a variety of issues and challenges, and one of the critical issues is providing industry-employable MBA graduates who are ready for job offers across the different sectors. As the market expectations of employers are different than the skills possessed by management graduates, the study was conducted with the objective of identifying the factors that are affecting their employability skills. The study was exploratory and descriptive in nature, and the total sample size was 150 individuals randomly selected from different management institutes in Madhya Pradesh. Factor analysis has been applied for the purpose of identifying the factors that affect the employability skills of management graduates. The results show that five factors—communication, problem-solving skills, decision making and analytical skills, leadership skills, self-understanding and subject knowledge—have a significant impact on the employability skills of management graduates. So this study concludes that there is a huge gap between what the industry requires and the pool of qualified students that is currently accessible. Management institutes should think in the direction of developing the above factors in graduates and to best prepare them for the future job needs.

Keywords: Employability Skills, Management Graduates, Industry expectation and Issues & Challenges.

I.   Introduction:

In today's competitive business environment good quality human resource plays a very crucial role in growth and development of an economy. The quality of human resource greatly depends on the quality of higher (Khare, 2022)). The term employability is a broad term and viewed differently by different people. The concept of "employability skills" has come into prominence for both employers and employees in both developing and under-developing countries. .According to (**York 2004 & 2006**), employability refers to "sets of skills, abilities and other personal attributes that makes graduates more likely to gain employment and to be

successful in their chosen occupations". In present times, employability not only confined to acquiring specific job skills but also to focuses on continues self -improvement in order to compete and sustain in competitive job market (Khare, 2022) .

According to (**Watts** 2006), employability skills are those "that make specific knowledge and technical skills fully productive". India is one of the fastest growing economies with a second largest world. It represents one of the youngest populations in the world. Today the biggest challenge lies in skill development and advancement of higher education of youths which is highly complex and diversified.

Factors affecting individual employability and the structure
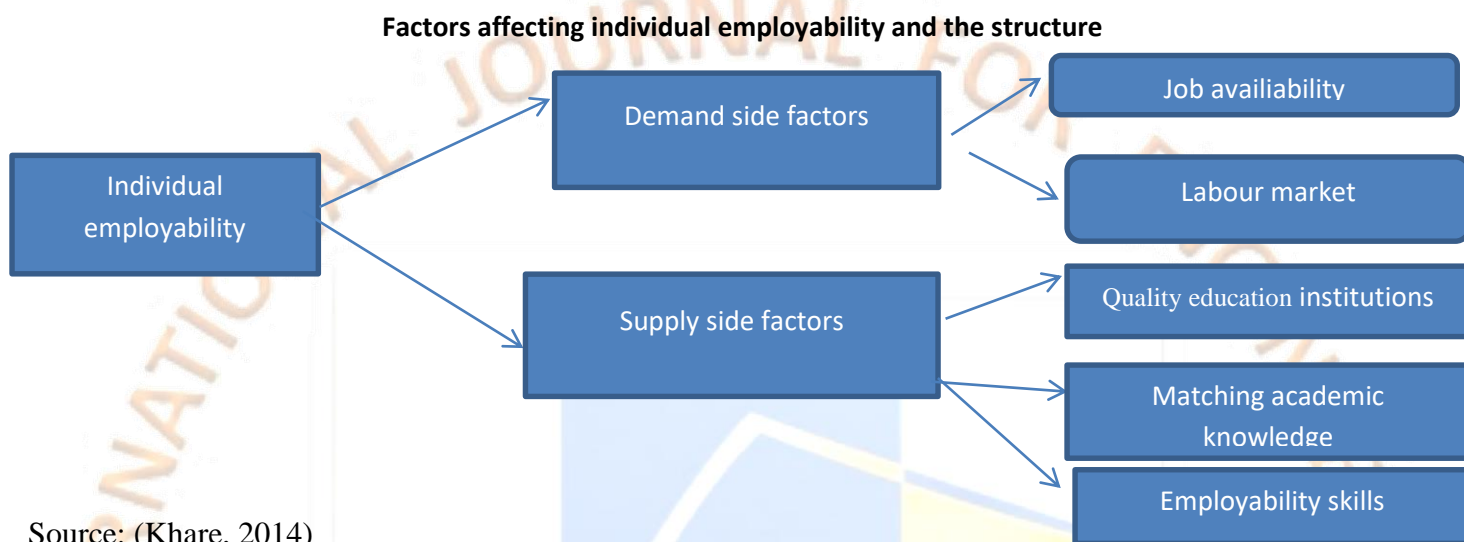
Source: (Khare, 2014)

As per the report of Statista Research Department (2021), the overall unemployment rate in India was estimated to be 7.11. There are many education related factors which leads to the problem of India's unemployment such as lack of adequate teaching methodology, out-dated course curriculum, lack of basic infrastructure (Yadav, 2022). Many previous studies reveal that there exist a gap or mismatch between what skills the employer's required and graduates actually possess through qualification (Bhatnagar, 2020; Yadav, 2022; Deshpande, 2022). India's government is continually working to minimise the skill gap and increase employment opportunities through programmes like the Made in India initiative, the Pradhan Mantri Kaushal Vikas Yojna, and the Skill India Development Programme.

II. **Employability of Management Graduates in India: Hard Realities**

Employability is the ability of the graduate to acquire a good job to his capacity. It possess all those skills which are required to perform a given job more efficiently such as soft skills, subject specific knowledge, technical skills and other personal attributes ((Mishra & Sharma, 2020; Shah, 2014;Wagh, 2020). In the last few decades and particularity after emergence of LPG, the focus of employability shifted from demand based skills to more holistic development. A key barrier to employment, especially for professional graduates like MBAs, is a lack of employability skills in and therefore there has been a continuous need for "reskilling" and "upskilling" required to get a job in the present dynamic and fast changing market environment (Thomas & Unninarayanan, 2018). In the last five years however, the number of MBA seats in India has grown multi- fold from 393003 in 2017-2018 to 402842 in 2021-2022. The recent report of ASSOCHAM 2021, says that less

than 10 per cent of the MBA graduates are actually employable despite of passing of large of management graduates every year.

The employability of students is a major concern or biggest challenge before many management institutes or B-schools in India (Thomas & Unninarayanan, 2018). Most of the companies which are recruiting truly need MBAs who are innovative, skilled in communication abilities and able to forecast and analyse things efficiently (Yadav, 2022; R. Shah, 2016; Bist et al., 2017).

Table 1: Year wise intake and placement records of MBA students in India

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Approved intake	393003	372279	370830	385541	402842
Total enrolment	238205	236521	243307	246056	242350
Number of students passed	79687	86692	166332	124648	144851
Number of students placed	6315	15604	19648	108942	120747

(Source: AICTE)

Table 2: The table shows the record of last 5 years MBA intake in Sagar district and the state of Madhya Pradesh (2017-2018 to 2021 to 2022)

	2017-2018	2017-2018	2018-2019	2018-2019	2019-2020	2019-2020	2020-2021	2020-2021	2021-2022	2021-2022
Approved intake	28389	220	28946	220	38567	220	55669	360	74331	360
Total enrolment	22677	220	24749	218	33712	216	47208	320	44003	271
Number of students passed	16151	147	17923	190	20386	140	11518	106	22291	162
Number of students placed	7879	73	9605	81	11385	84	10646	52	14877	111

(Source: AICTE)

There are very few researches on the Employability of students having their post-Graduation in Business Management as far as their skills are concerned and in particular to Madhya Pradesh state of India. There are hardly any researches which provide information about the issues and challenges in employability skills possessed by the management students especially in the state of Madhya Pradesh of Sagar district. Hence for this reason, the present study is an attempt to identify and understand the various factors which are affecting employability skills of MBAs graduates from perspectives of students and employer's both.

III. Literature Review:

Author/s & year	Title	Objective/s	Type of research	Major findings & Implications
(Bansal, 2020)	A Study on Employability Skills of MBA Students: An Employers and Students Perspective	To understand employability skills of management students from employer's perspective	Based on extensive literature review	Need to focus on technical and professional skills to increase employability

(Yadav, 2022)	A study on management students employability skills through Alumni perspective	To identify and analyse the skills required for management graduates	Based on primary study using exploratory factor analysis with a sample size of 194 alumni	Communication, problem solving, thinking and analytical skills, socialisation skills were identified in this study.
(R. Shah, 2016)	A Study on Factors Affecting Employability Skills of Management Students	Identifying factors affecting employability skills of management graduates	Survey method was used using 160 respondents selected through non-probability sampling	Four factors were identified such as analytical skills, communication, General management and problem solving, self-understanding and leadership which influence employability.
(Samuel & Ravi, 2021)	Factors Affecting Employability Skills of Management Students	To understand factors affecting employability from a student perspective in Kerala	Sample of 150 respondents used and analysis was done using correlation and regression method	There is a significant relationship between employability skills and employability needs
(Asirvatham et al., 2017)	Role of employability skills in management education: An overview	To understand the keys factors which enhances employability skills among management graduates	Based on secondary data using previous literature or work	There is a huge gap between what the industry needs and what is available in terms of skills.
(Bhatnagar, 2020)	Employability and skill gap among MBA graduates in India: a literature review	To review scholarly research on employability and skill gap in the context of the Master of Business Administration (MBA) education in India	Based on extensive literature review	The study found that emotional intelligence, interpersonal and critical thinking skills plays a vital role in management employability.
(Dhar, 2020)	Employability of Management Students in India: Some Concerns and Considerations	Paper will focus on the key success variables for the Management	Based on secondary data using information on management education, perception on	The goodwill of management institution plays an important role in getting job and become an asset for management

		Institutions	management students etc.	graduates.
(Bist et al., 2017)	Employers' perception regarding employability skills of management students undergoing internship	To investigates the perception of corporate managers about employability skills of management students undertaking summer internship with them.	Survey method used using 22 structured items/statements and analysis were performed using factor analysis method	MBA Intern students were lacking in communication, analytical, problem solving and business understanding skills

(Source: Data compiled using previous studies)

Objectives of the study:

1. To identify and analyse various factors which affect employability of management students in Madhya Pradesh.

2. To understand the expectations of industry and issues in the employability of management graduates.

IV.   Research Methodology:

The present research is exploratory and descriptive in nature based on both primary and secondary data. Population for the study comprises of final year MBA students studying in different management institutes/University in the Sagar district of Madhya Pradesh state. Total number of students enrolled in MBA in Sagar region were 360 in the year 2021-2022 and out of it a sample size of 150 individuals taken through random sampling method.

Sample Size: 150

Sample Frame: Institutes offering MBA courses

Location: Sagar region, M.P

Sampling Method: Random Sampling Method

The measurement scales of the constructs used in this paper were adopted from previous research papers. All items were measured on a five point Likert scale ranging from 1= strongly disagree to 5= strongly agree. The items had acceptable reliability with Cronbach's alpha 0.790. The collected data were analysed using SPSS 20 and Factor analysis.

V.   Analysis & Results:

Factor analysis has been applied for finding the factors which are affecting employability skills of Management graduates.

Exploratory factor analysis:

Exploratory factor analysis (**EFA**) is a statistical method used to identify the underlying structure of a relatively large set of variables. It is a data reduction technique whose goal is to identify the underlying relationships between measured variables.

Table no. 3 Cronbach's Alpha of Constructs

Reliability Statistics

Cronbach's Alpha	N of Items
0.790	25

The above table no.3 is showing Cronbach's alpha coefficients were used to measure the internal consistency of each identified dimension of construct, and items with adequate Cronbach's alphas were retained for the scales. The general criteria for the cronbach coefficient alpha should be greater than 0.6. As all the 5 constructs have alpha value satisfying the criteria, all of the constructs were acceptable and a total of 18 items were retained for the five constructs in the study.

Table no. 4   KMO and Barttlet's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.715
Bartlett's Test of Sphericity	Approx. Chi-Square	1262.61
		300
	Sig.	.000

The result indicated in the above table no. 4 shows that the Bartlett's Test of Sphericity (Bartlett, 1954) was significant (Chi-Square 1262.61, p-value < 0.0001). The Kaiser-May -Olkin (KMO) value is 0.715 which measureof sampling adequacy and it is quite high since it exceeded the recommended value of 0.6 (Kaiser, 1974).

Table 5. Rotated Component Matrix

Factor 1: Analytical Skills and Decision-making	F1	F2	F3	F4	F5
1. I am able to use imagination and creativity to develop ideas for planning and implantation.	0.630				
2. I am able to identify opportunities for future course of action.	0.713				
3. I am able to evaluate things analytically for better results	0.699				
4. I am able to take decisions without the help of any guidance.	0.625				
Factor 2: Problem solving skills					
1. I am able to understand and analyze critical issues.		0.776			
2. I am able to handle unforeseen situations		0.703			
3. I am able to use logic, facts and imagination in finding optimum solution of any problem.		0.638			
4. I am able to think differently to overcome an obstacle		0.699			
Factor 3: Leadership Skills					
1. I am able to influence and motivate people to work in team			0.650		
2. I can lead and direct a group or team.			0.684		
3. I am able to plan, organize and manage events.			0.670		
Factor 4: Communication Skills					
1. I pay attention to my nonverbal behavior, like facial expressions and eye contact, to make sure I stay engaged with the interviewer.				0.716	
2. I can speak English fluently to clear my point				0.743	
3. I have an ability to communicate with different people with confidence.				0.638	
Factor 5: Self-understanding and domain knowledge					
1.I am able to handle my emotions, thoughts and anger in every situation					0.673
2.I am clear about my goals and objective to be achieved					0.710
3. I am very well aware about my strengths and weaknesses					0.655
4.I possess a thorough and expertise knowledge of my domain					0.634

Exploratory Factor Analysis (EFA) was performed and only those factors were retained which have an eigen value more than 1. An Eigen value represents the amount of variance associated with the factor. Total 5 factors were extracted from the factor analysis and they altogether explained for 70.005% of the total variance. The factors considered should together account for more than 50% of the total variance (Malhotra 2010).

Factor 1 loaded on four variables and can be labelled as **Analytical skills and decision-making skills** as it comprises of dimensions related to creativity, imagination, strength, weakness and decision making capability. The items received a mean of 3.775 on a scale of 1-5. **Factor 2** loaded on four variables and can be labelled as **Problem Solving skills** as it comprises of dimensions related to t h i n k

critically, resolve problems by using logics and facts, able to think differently in tough situations. The items received a mean of 3.995 on a scale of 1-5.

Factor 3 loaded on three variables and can be labelled as **Leadership skills** as it comprises of dimensions related to ability to lead, direct and influence others to work in team. The items received a mean of 3.89 on a scale of 1-5.

Factor 4 loaded on three variables and can be labelled as **Communication skills** as it comprises of dimensions related to use of verbal and non-verbal communication, fluency in speech and confidence. The items received a mean of 4.05 on a scale of 1-5.

Factor 5 loaded on four variables and can be labelled as **Self-awareness and domain knowledge** as it comprises of dimensions related to understanding self, able to handle emotions and command on domain knowledge. The items received a mean of 3.49 on a scale of 1-5.

The above table no. 3 shows that there are five factors which have been extracted through Factor analysis. Factor 1 is named as "Analytical skills and decision-making skills, Factor 2 is named as "Problem solving skills", Factor 3 is named as "Leadership skills" and Factor 4 as "Communication skills". Factor 5 named as "Self-understanding and domain knowledge". Total 5 factors were extracted from the factor analysis and they altogether explained for 70.005% of the total variance. The factor 4 "communication skills" received a highest mean score (4.05%) followed by factor 2 "Problem solving skills" with mean score of 3.99% and then factor 3 "leadership skills" with mean score of 3.89% followed by factor 1 "analytical and decision-making skills" with mean score of 3.775% and at lastly factor 5 "Self-understanding & domain knowledge" with a mean score of 3.49%.

VI. Conclusion

To produce employable management graduates in accordance with the demands of the industry it is very important that all the stakeholders like management institutions, universities and government must take an appropriate measures to improve quality of higher education in India (Deshpande, 2022). There are many deficiencies in our present management education system like in terms of lack of infrastructure, resources, shortage of competent faculty, poor teaching methodology, mismatch in course curriculum and industry demand etc. (Yadav, 2022; Thomas & Unninarayanan, 2018; Khare, 2022). Although significant progress has been made in this area and the gap between the management students produced by academic institutions and the demands of the market continues to grow. The main objective of the study has been to investigate and analyse various factors which affects employability of management graduates and also to understand expectations of the industry, so that more skills should develop for better employment. Based on the factor analysis, there were total 5 factors extracted and they altogether explained for 70.005% of the total variance. The highest mean value of Factor 4 "communication skills" with 4.05 % indicates that it is the most dominating factor which greatly influences the employability among management graduates. Hence we can interpret that, if management student develops these skills, they will be able to work efficiently in the rapidly changing business environment. Management institutes should think in the direction of developing the above factors in graduates and to best prepare them for the future job needs.

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