

## Is There a Gap between Practitioners' and Academicians' Perceptions on Business Graduates' Competencies in Malaysia?

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**Abstract:** There is always a gap between practitioners' perception on business graduate competencies as compared to academicians' perception on the similar topic. Hence, the task to bridge the gap is very necessary in order to equipped business graduates with a more competent set of skills. This study aims to empirically identify the practitioners' perception on important competencies should possessed by Malaysia business graduates. The second objective is to identify the practitioners' perception on important competencies should possessed by Malaysia business graduates. Last objective is to identify if there is a gap exist between both group's perception on important competencies should possessed by Malaysia business graduates. A survey questionnaire was designed and administered to determine the perceptions of employers about the perceived important competencies and hiring preferences. A total of 45 questionnaires were distributed to managers of nine main local commercial banks in Malaysia in the period of six months. The gap between employer needs and graduate competencies were able identified. The findings from this study can be a significant help to the universities in producing competitive business graduates and industries at improving human capital capabilities.

**Keywords:** *Academicians, practitioners, Malaysian business graduates, competencies,*

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### 1. Introduction

Rapid changes in today's business environment are extremely fast pace and highly competitive. Talent with high level of competencies had become a competitive advantage for many companies. It had become a critical challenge for employers to attain best talent from business schools. Employers become more selective and more demanding during the selection and recruitment process in order to choose graduates with better competencies. However, employers are complaining about the lack of basic skills and knowledge that they were supposedly trained in local universities and private colleges among business graduates in Malaysia (Woo, 2006). The feedback from employers employing fresh graduates ranges from lack of communication skills (Khoo, 2001) to untested intelligence of the graduates (New Straits Times, 2003), to lack of knowledge and expertise in their own area of study. In a recent survey conducted by the Central Bank of Malaysia, involving 312 companies, 77.6% of the respondents felt that Malaysian graduates lack the required skills to function effectively at the workplace (Kumar, Kee, & Manshor, 2009). However, according to the Higher Education Minister, Malaysia graduates did not lack the talent or competency to be employed but it was just that some of them lacked the direction and inputs to sharpen their natural talent, interpersonal skills and abilities (Bernama, 2009). This issue has been one of the debated issues discussed among the academia in Malaysia and the practitioners. Many studies had been done to identified the employers' perceptions (Shafie & Nayan, 2010; Lai, 2011; Azami, 2008; Quah, Aizzat, Guok & Ignatius, 2009; Hazmilah, Dunn & Jones, 2008; Mustafa, Norkisme, Suradi, Ismail, Shahabuddin & Zaharim, 2008; Jacob, Lee & Su, 2006). However, there is limited published research on academicians' perceptions on graduate competencies or exit survey by universities in Malaysia. Therefore, a study is needed to help identify employers' perception and the academicians' perception on Malaysia business graduates and make a comparison on the perceptions from both sides. Following are the objectives of the study:

- To empirically explore on practitioners' perception on important competencies in Malaysia.
- To empirically explore on academicians' perception on important competencies in Malaysia.
- To identify if a gap exists between practitioners and academicians perceptions on Malaysian business graduates' (MBG) competencies.

## 2. Literature Review

Knowledge, skills, and ability are the main competency that employers are looking for in order to face with stiff global competition and rapid growth of change (The Star, 2009). Candidates that are equipped with higher level of competencies are found to be more prepared to meet and adapt to the paradigm shift brought about by globalization. Most Malaysian employers indicate that MBG are well trained in their areas of specialization but unfortunately, they lack the 'soft skills' (Nurita, Shaharudin & Ainon, and 2004a). Employers today are looking for graduates not only with specific skills and knowledge but also with the ability to be proactive enough to see and respond to problems. Furthermore, employers are now searching for graduates who are well-balanced, with good academic achievement and possessing 'soft skills' such as communication skills, problem solving skills, interpersonal skills and the ability to be flexible (Nurita, Shaharudin & Ainon, 2004b). Feedback from various employers in Malaysia also pointed invariably to the deficiencies of tertiary education in training students to meet the needs of the workplace that result in unemployment among graduates (Asma & Lim, 2000; Lee, 2000; Quek, 2000; Kanapathy, 2001). In addition to that, there is a gap between the knowledge, skills and qualities possessed by the universities' graduates and the knowledge, skills and qualities required by the graduates' prospective employers (Hesketh, 2000). There are twenty public universities, forty two private universities in Malaysia (Ministry of Education, 2012). Universities do make attempts have been made to clarify the nature of the education they offer to students and subsequently the potential contribution of graduates to society (Barnett, 1990). This will be reflected in the communication of descriptions of the employability skills of graduates (also known as generic skills, graduate capabilities). The emphasis on employability skills is clearly articulated in higher education policy. Abd-Ghafar (2004) stressed that it is an important factor in developing an effective curriculum is the need for academicians to understand the breadth of knowledge, skills and abilities needed to engage in professional practice.

In Australia, universities have introduced requirements that graduates complete a „generally accepted“ set of attributes typically embedded within degree courses across each university. This type of university-wide policy demonstrates the desire of universities to promote the development of graduate capabilities that encompass lifelong learning, technical training, oral, written and interpersonal skills, as well as exposure to organizational skills and technology generally known as generic skills. Local graduates have been receiving many negative comments from both employers and the press as being unable to meet the expectation of employers due to poor competencies. Among the critics that are normally being popular such as, “new business graduates cannot write well, they do not speak good English” (Lim, 2002). Vasudevan (2002) highlighted the graduates' weaknesses are do not know how to communicate or express themselves are some of the criticisms hurled at local graduates. On the other hand, according Mohd-Majid, Norfaryanti & Nor-Azirawani (2009) had conducted an exit survey of University Putra Malaysia (UPM) students. Based on the results, generally the 2006/07 session graduating students had moderately high perception on the achievement of learning outcomes and soft skills. Sani, Noor, Kadirgama, Rahman, Senawi, Rejab, Taib & Abdullah (2009) had conducted an exit survey at Universiti Malaysia Pahang (UMP) graduates. The results found that 70.7% of the respondents agreed that the overall quality of educational experience received at UMP has been in good and excellent level, which parallel with UMP education strategies to provide students with technical knowledge, skills as well as soft skills.

## 3. Methodology

As a pilot study, a survey was conducted by mailing questionnaires to nine main local commercial banks in Malaysia using convenience sample method as well as questionnaires to the seven tertiary educational institutes (TEIs) in Malaysia. Practitioners and academics were asked to select the importance they placed on the 20 competencies items. The competencies-items used in this study were adapted from Quek (2005) which had been checked and validated. The mailing of the 45 questionnaires to the practitioners resulted in 34 usable replies, giving a response rate of 75.5%, and responses received from academics at seven TEI's resulted in a 55% response rate. Data collection began in July 2011 and ended at December 2011 in six months' period.

## 4. Results and Discussion

**Respondents' Profile:** The characteristics of the practitioner respondents are listed in Table 1. Majority of the respondents are female (70.6%) and holding first-degree qualification (64.7%). Majority of these

managers have been working for more the 10 years with the current establishment (44.1%) and the age of over 35 years old (41.2%). Academic responses from seven tertiary institutions in Table 2 show 88 individual lecturers replied from combination of public and private universities. The majority of lecturers are female (59.1%) and holding master's degree qualification (65.9%). Majority of these lecturers have been working for current establishment between one to five years period (39.8%) and the age between 31 to 35 years old (33%).

**Table 1: Practitioners' Profile**

Items	% (f)	Items	% (f)
Education level:		Gender:	
Degree	64.7(22)	• Male	29.4 (10)
Diploma	23.5(8)	• Female	70.6 (24)
• Others	11.8 (4)		
Length of Current Service:		Age:	
• < 1 year	8.8 (3)	• < 25	2.9 (1)
• 1–5 years	20.6 (7)	• 26–30	20.6 (7)
• 6–10 years	26.5 (9)	• 31–35	35.3 (12)
• > 10 years	44.1 (15)	• > 35	41.2 (14)

**Table 2: Academicians' Profile**

Items	% (f)	Items	% (f)
Education level:		Gender:	
PhD	15.9(14)	• Male	40.9(36)
Master's Degree	65.9(58)	• Female	59.1(52)
Degree	15.9(14)		
Others	2.3(2)		
Length of Current Service:		Age:	
• < 1 year	4.5(4)	• 26 - 30	15.9(14)
• 1–5 years	39.8(35)	• 31 - 35	33.0(29)
• 6–10 years	28.4(25)	• 36 - 40	15.9(14)
• > 10 years	27.3(24)	• 41 - 45	19.3(17)
		• 46 - 50	8.0(7)
		• > 50	8.0(7)

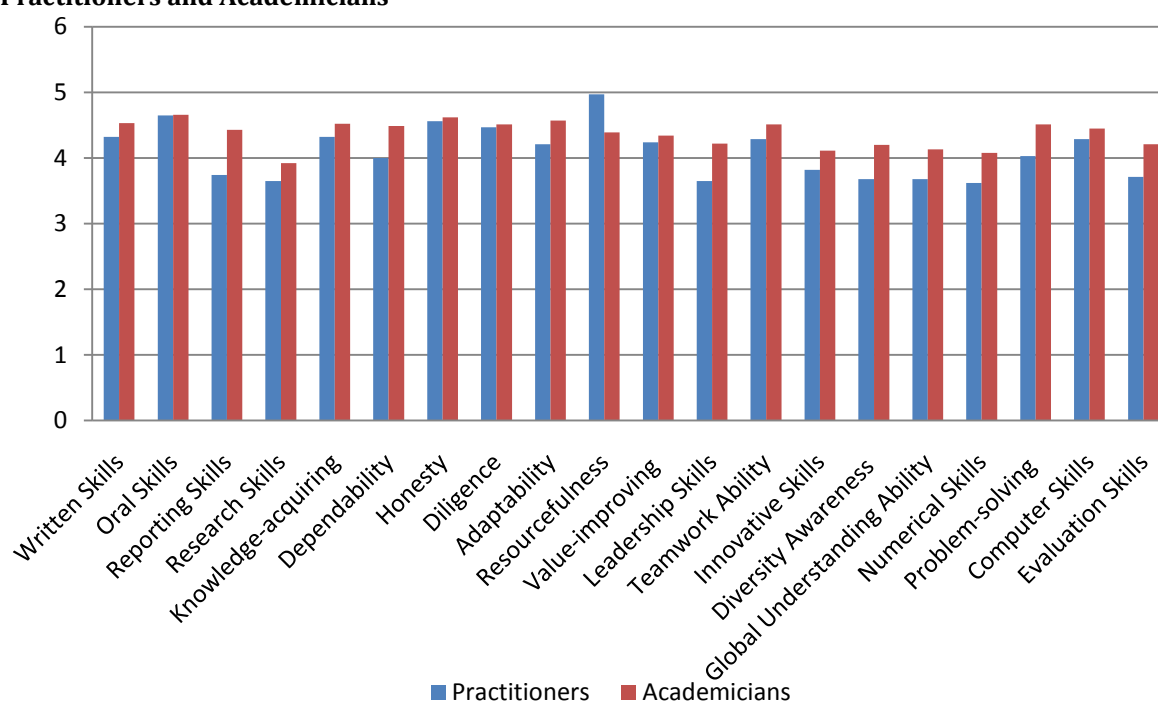
**Reliability Analysis:** Table 2 presents Cronbach alpha value for each dimension used in the study. All of the Cronbach alpha values were more than 0.7 which indicate that the dimensions used for each variable are highly reliable (Hair, Bush & Ortinau, 2006; Nunnally, 1978).

**Findings and Discussions; Comparison of Malaysian Business Graduates' Competencies Perceived by Practitioners and Academicians:** Table 4 presents histogram showing practitioners' ranking of the competencies perceived as importance based on a 5-point Likert scale where 1 = unimportant and 5 = important. The histogram also showed academicians' ranking of the competencies perceived as importance based on a 5-point Likert scale where 1 = very poor and 5 = very good.

**Table 3: Cronbach Alpha Value**

Item	Cronbach Alpha (No. of items)
• The importance of competencies as perceived by the employers	.676 (20)
The performance of business graduates from local universities as perceived by the employers	.973 (20)
The performance of business graduates from local private universities as perceived by the employers	.961 (20)
The performance of business graduates from overseas universities as perceived by the employers	.950 (20)

**Table 4: Histogram for Comparison of Malaysian Business Graduates' Competencies Perceived by Practitioners and Academicians**



The perception of practitioners and academicians on MBG's competencies was collected through a five-point scale. The mean score for both groups regards MBG's competencies are given in Table 4. The results illustrate that both groups (practitioners and academicians) similar perception on the importance of business graduates' competencies i.e. written skills, oral skills, research skills, knowledge-acquiring skills, honesty, diligence, resourcefulness, value-improving, teamwork ability, innovative skills and computer skills. Both the groups were of the view that the previously mentioned skills are very important for business graduates to search and maintain good jobs in a competitive market place. The high mean score (4.66) of oral skills shows that this skill was very important for MBG to possess this skill to secure good job opportunities. The other important skills in both group's perceptions were honesty, diligence, written skills, knowledge-acquiring skills, teamwork ability, computer skills and value-improving skills. This is good sign both groups are well aware of competencies of MBG and have the same opinion of them.

**Independent Samples *t* Test for Differences in Importance of Competencies and Business Graduates' Performance as Perceived by Practitioners and Academicians:** To see the significance of difference between means of opinion independent sample *t*-test was used. The results of the independent sample *t*-test show that there was no significant difference (at the alpha level  $\alpha = 0.05$ ) for written skills, oral skills, research skills, knowledge-acquiring skills, honesty, diligence, resourcefulness, value-improving, teamwork ability, innovative skills and computer skills among the means of the perception of both groups. The results illustrate that the perception of both groups (practitioners and academicians) are similarly important in these attributes. On the other hand, there are nine attributes were found to be significantly different between the practitioners and academicians. These attributes are reporting skills, dependability, adaptability, leadership skills, diversity awareness, global understand skills, numerical skills, problem-solving and evaluation skills. The mean for reporting skills for the practitioners is 3.74 but for academicians are 4.43. The mean for dependability for the practitioners is 4.00 but for academicians are 4.49. The mean for adaptability for the practitioners is 4.21 but for academicians are 4.57. The mean for leadership skills for the practitioners is 3.65 but for academicians are 4.22. The mean for diversity awareness skills for the practitioners is 3.68 but for academicians are 4.20. The mean for global understanding for the practitioners is 3.68 but for academicians are 4.13. The mean for numerical skills for the practitioners is 3.62 but for academicians are 4.08. The mean for problem-solving skills for the practitioners is 4.03 but for academicians are 4.51. The mean for evaluation skills for the practitioners is 3.71 but for academicians are 4.21. These results show that both groups do not share the same perceptions on these nine attributes. Employers perceived all the items in the competencies are important for business graduates for entering the workplace but analysis showed that academicians' perception was higher than employers' perception in overall comparison.

**Table 5: Independent Samples *t* Test for Differences in Importance of Business Graduates' Competencies as Perceived by Practitioners and Academicians**

Competencies	Mean		<i>t</i>	df	Sig
	Practitioner	Academician			
Written Skills	4.320	4.530	-1.686	119	0.095
Oral Skills	4.650	4.660	-0.740	119	0.942
Reporting Skills	3.740	4.430	-4.978	119	0.000**
Research Skills	3.650	3.920	-1.440	119	0.153
Knowledge-acquiring	4.320	4.520	-1.669	119	0.980
Dependability	4.000	4.490	-3.449	119	0.001**
Honesty	4.560	4.620	-0.510	119	0.611
Diligence	4.470	4.510	-0.292	119	0.771
Adaptability	4.210	4.570	-3.040	119	0.003**
Resourcefulness	4.970	4.390	1.053	119	0.294
Value-improving	4.240	4.340	-0.777	119	0.439
Leadership Skills	3.650	4.220	-3.202	119	0.002**
Teamwork Ability	4.290	4.510	-1.601	119	0.112
Innovative Skills	3.820	4.110	-1.968	119	0.051
Diversity Awareness	3.680	4.200	-3.416	119	0.001**
Global Understanding Ability	3.680	4.130	-2.696	119	0.008**
Numerical Skills	3.620	4.080	-3.017	119	0.003**
Problem-solving	4.030	4.510	-3.297	119	0.001**
Computer Skills	4.290	4.450	-1.147	119	0.254
Evaluation Skills	3.710	4.210	-3.156	119	0.002**

## 5. Conclusion

The findings above confirmed that there is still a gap between the employers' perception and the academicians' perception on the importance of competencies that MBG should possess. As a conclusion, this study contributes new findings to the issues of MBG's competencies. There were two limitations in the study; firstly, authors only manage to conduct a pilot study on banking sector, which only consists on nine employers and seven TEIs. Authors may consider analyzing the perception of more employers from different industries on their perception towards MBG's competencies. Secondly, author may consider conducting the study on longitudinal basis in order to compare the perception of employers from one country to another country.

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