

Graduates' employability: What do graduates and employers think?

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Kyriaki Matsouka

Aristotle University of Thessaloniki, Greece

Dimitrios M. Mihail

University of Macedonia, Greece

Abstract

The purpose of this article is to investigate the views of university graduates and human resource managers (HRMs) on graduates' employability in terms of the soft skills required by the labour market. Soft skills (personal attributes that enhance an individual's interactions, job performance and career prospects) are necessary in the labour market in addition to hard skills (professional knowledge, tools or techniques). In this study, 178 graduates from the Aristotle University of Thessaloniki and 29 HRMs from Greek companies took part. The research tool was a questionnaire exploring participants' views on the demand for soft skills as a decisive factor in employability. The findings identify differences between the views of the graduates and the HRMs. The graduates tended to overestimate themselves, while the employers argued that graduates lacked the necessary skills. The findings are discussed in relation to the changes needed in higher education institutions and the importance of appropriate interaction and collaboration between companies and universities.

Keywords

employability, graduate employment, graduate labour market, skills gap, skills needs, soft skills

Universities play a key role in developing employability skills since their graduates must possess the necessary qualifications to work professionally in the environment of what has been called the 'learning age' or 'learning society' (Fallows and Steven, 2000). Employers of graduates therefore often view the development of the necessary skills as the responsibility of higher education institutions, and so universities are responsible for developing and improving the employability skills that employers seek (Cassidy, 2006). However, faced with a lack of employability skills, the employer's role is crucial: firms can guide universities towards teaching the soft skills they require. At the same time, this does not mean that skills development should be guided exclusively by employers, because their needs change and employers may focus on current rather than long-term training needs (Maxwell et al., 2010).

The purpose of this research is to heighten the contribution of organizations and individuals to the employability of young people and to encourage greater convergence between the skills imparted by universities and those sought by companies.

university graduate to seek and find a job and, crucially, to be successful in it. The successful acquisition of employability skills can benefit both employees and the economy, but of course employability does not necessarily convert to a job, since there are many external social and economic factors that affect employment (Yorke, 2004).

Employability have been defined by Knight and Yorke (2004) as:

A set of achievements, understandings and personal attributes that make individuals more likely to gain employment and to be successful in their chosen occupations. (p. 36)

'Generic' skills are high-order, transferable skills that are common to almost all complex endeavours. They include communicating, problem-solving, curiosity, patience, flexibility, purpose, persistence, resilience, courage and creativity, and apply across all disciplines. They enable people to organize, adapt and strategically apply their specific skills to new situations and circumstances (Higher

Graduate employability: Literature review

Employability consists of a set of qualifications, skills, attitudes and personal characteristics that enable the

Corresponding author:

Kyriaki Matsouka, Career Services Office, Aristotle University of Thessaloniki, University Campus, 54124 Thessaloniki, Greece.
Email: matsouka@auth.gr

Education Council, 1992). Such generic skills are referred to as 'transferable' (because they are skills that, developed in one area of life, can be transferred to other areas) or 'personal' skills. In the context of career planning and development, they are called 'career management' skills.

Surveys have highlighted the difficulties experienced by employers in finding workers with the requisite skills, despite high rates of unemployment. Specifically, a Briefing Note from the European Centre for the Development of Vocational Training (CEDEFOP, 2014), based on a study of European companies conducted in spring 2013, concluded that about 40% of companies in the European Union struggled to find workers with the right skills. Many employers and policy-makers argue that these difficulties are caused by the inadequate preparation of graduates and other workers. They claim that a cause of high unemployment is the endemic skills mismatch in European economies (CEDEFOP, 2014).

A 2013 survey regarding the lack of talent, which questioned over 38,000 employers in 42 countries, again reveals the difficulty employers experience in finding workers with the right skills (ManpowerGroup, 2013). Employers from 17 countries reported recruitment difficulties, on average, for over 25% of jobs, with 34% of the employers surveyed attributing these difficulties to a lack of technical skills and 19% believing that candidates had no job skills at all (ManpowerGroup, 2013).

Another study (Mourshed et al., 2012), based on a survey of 2600 employers, 5300 students and 700 educational institutions in France, Germany, Greece, Italy, Portugal, Spain, Sweden and the United Kingdom, concluded that one-third of European companies were experiencing recruitment problems because of a lack of skills and training among young jobseekers. In the case of Greece, 45% of Greek companies reported problems due to a lack of skills among new entrants to the labour market (Mourshed et al., 2012).

In 2010, a Eurobarometer survey conducted among employers throughout Europe revealed that, in terms of graduate recruitment, soft skills were considered as important as sector-specific skills by the majority of employers (EC, 2010). Highlighted soft skills included the ability to work well in a team (98% of employers), to adapt to new situations (97%), communication skills (96%) and knowledge of foreign languages (67%).

Research methodology

A quantitative methodology was adopted for this survey, involving 178 entrants into the labour market – graduates of the Aristotle University of Thessaloniki (AUTH) who participated in an event called 'Career Days' organized in June 2014 by the Employment & Career Structure and the Career Services Office of AUTH. In addition, 29 human resource managers (HRMs), each from a different company, participated in the event and were included in the survey. The companies represented various sectors of

industry: information technology, telecommunications, agriculture, construction, economy and recruitment.

This sample was chosen because the new AUTH graduates were seeking work, while the companies were, in turn, seeking workers at the Career Days. During the event, graduates were interviewed by potential employers and were able to present their knowledge and skills, while the 29 companies, which were actively seeking staff at the time, had the opportunity to evaluate the graduates' knowledge and skills and to recruit suitable employees. Thus, the sample enabled an investigation of the differing views of graduates and employers about skills needed in the labour market.

The main research tools used for data collection were questionnaires based on those used in the ALBA survey in 2013 for graduates and companies, respectively, adjusted for the specific purposes of the present study (Alba Graduate Business School, 2013).

The questionnaire distributed to the AUTH graduates included five sections. The section 'Labour supply' included questions about the skills graduates believed they had with regard to their employability, their current employment status and their work experience. The section 'Skills required for the labour market' listed 20 skills from which graduates were invited to identify those they thought companies were looking for and the extent to which they thought they possessed the identified skills. They were also asked how they believed they had acquired specific skills during their studies at AUTH. The section 'Job search methods' was directed only at those graduates who were currently looking for a job. The section 'The Career Services Office of AUTH' included questions about the help that had been offered to all graduates in their job searches. Finally, the section 'Demographics' requested information on gender, age, educational level, department and year of graduation, knowledge of languages and family situation.

The second questionnaire was distributed to the company representatives. It included questions on what skills the managers were looking for, what skills they believed graduates possessed, the challenges their company was facing and what obstacles they thought were confronting young people in seeking work. In addition, it investigated the managers' satisfaction with the support infrastructure (such as the Greek Manpower Employment Organization) and finally the degree of their company's cooperation with universities.

Both questionnaires used different types of question with structured answers. Specifically, the questionnaires consisted of Likert-scale five-point checklists and multiple choice questions.

Research findings

Figure 1 summarizes responses to the question, 'What competencies are your company seeking in young people at this time?' Companies primarily seek graduates with the following skills and abilities: learning orientation (96.6%), extra effort (96.5%), teamwork (89.7%), ethics/integrity

(89.7%), communication (89.6%), professionalism (86.2%), adaptability (86.2%), goal setting (82.7%) and emotional intelligence (79.3%). We can see similar results in the ManpowerGroup (2013) and ALBA (2013) surveys.

Figure 2 summarizes responses to the question, ‘What competencies do you believe graduates possess?’ Companies believe that graduates have the competencies of academic qualifications (75.9%), learning orientation (48.3%), ethics/integrity (48.3%), technical skills (41.4%), extra effort (37.9%), adaptability (37.9%), teamwork (34.5%) and communication skills (27.6%). The percentages suggest that the graduates’ skills as perceived by companies are much lower than they require.

Figure 3 presents the substantial mismatch between the competencies companies believe graduates have and those that they want and really need. The areas of greatest mismatch are emotional intelligence, influence and sales skills, goal setting and professionalism. The only competencies that companies believe graduates have at a high level are academic qualifications, but these are less important to employers because they are seeking entry-level graduates.

Figure 4 compares the skills actually required by companies and the skills graduates believe companies seek. The most significant differences here are for emotional intelligence, ethics/integrity and learning orientation. Workers with high emotional intelligence are better able to work in teams, adjust to change and be flexible, and so this skill is very important in the workplace. As the workplace continues to evolve, with the arrival of new technologies and innovations, emotional intelligence and learning orientation will be increasingly important in the job market.

Figure 5 demonstrates the large differences between the skills the graduates believe they have and those skills companies believe they have. Skills that are rated much higher by graduates than employers include: emotional intelligence, professionalism, goal setting, influence and sales skills, leadership skills and ethics/integrity.

There is clearly a substantial divergence between the graduates’ opinion of their skills and the companies’ perspective. For the graduates, the most important element is their academic skills, and they are not aware how much soft skills are required by the labour market.

From Figure 6, we can see that the graduates consider that they gained skills during their studies mainly through academic projects (71.60%), previous work experience (69.30%), the academic programme of the school (63.10%), participation in conferences (44.9%) and voluntary work (43.80%) – these are the principal multiple choices offered in their responses. Graduates believe that the academic environment provides them with the soft skills they need. In fact, their studies principally provide them with academic qualifications. Other activities (Erasmus studies and placements, internships and volunteering) during their course of study give students an opportunity to acquire those soft skills that are so clearly required by companies.

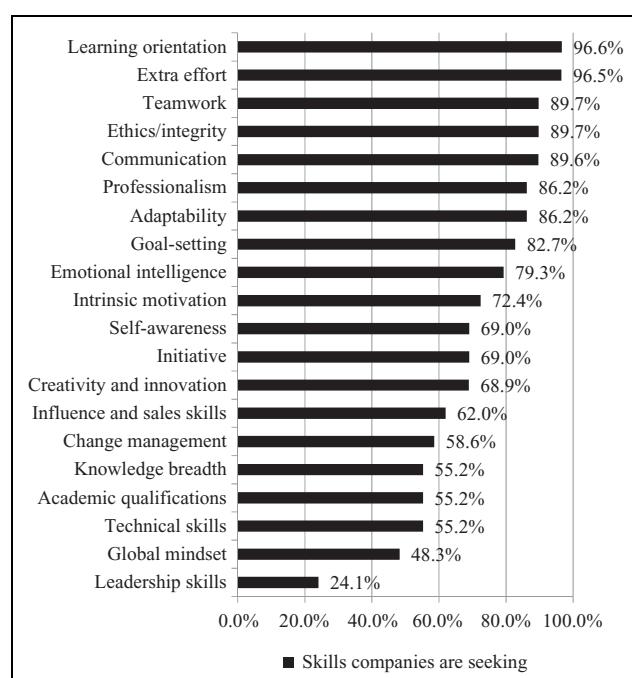


Figure 1. Skills companies are seeking.

Conclusions

The survey results presented in this article show that there is a gap between university graduates’ and HRMs’ views on graduate employability. Soft skills such as emotional intelligence, learning orientation, teamwork and flexibility are among the key skills that companies are looking for in graduates. The greatest differences in the perceived importance of skills between graduates and employers are in relation to emotional intelligence, goal setting and professionalism, although graduates believe that they have acquired the soft skills they will need. There are also substantial differences in perceived competencies, with the largest deviations relating to emotional intelligence, professionalism and leadership skills, which graduates consider they have while employers contend that these skills are lacking. There is a convergence between the views of graduates and employers only in relation to the academic qualifications the graduates possess.

In light of the findings of this and other studies cited earlier, particular and urgent attention should be given to companies’ contention that the foremost challenge for them when they are trying to hire young graduates is the lack of soft skills. The greater employability of young people and the narrowing of the gap between the actual abilities of university graduates and the actual needs of companies will depend on effective cooperation between employers and universities. This is supported by the McKinsey study cited earlier (Mourshed et al., 2012), which identified the failure of some educational systems to consider students as future employees and consequently the skills that would be required by employers.

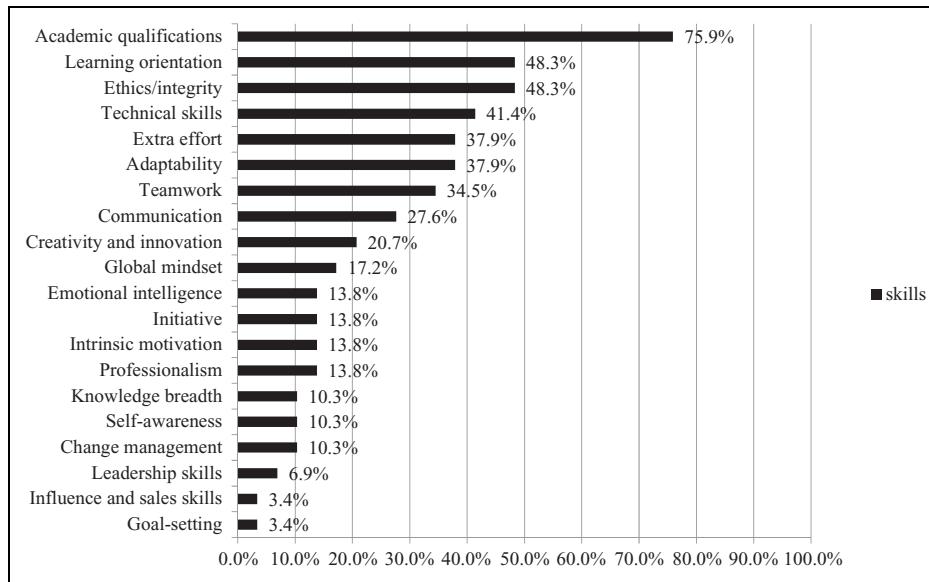


Figure 2. Skills companies believe graduates possess.

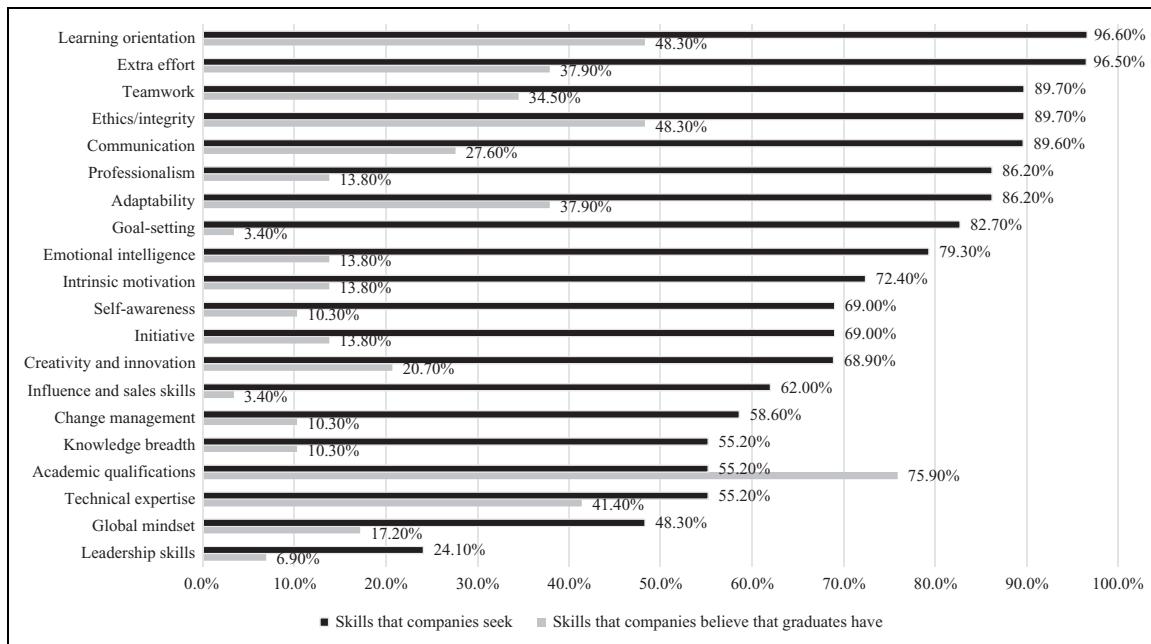


Figure 3. Skills companies believe graduates possess compared to the skills they seek.

The companies that participated in our survey said that they cooperated with universities by participating in Career Days organized by Career Services Offices, offered internships to students by participating in workshops and seminars organized by the Career Services Office of the AUTH and generally cooperated with Career Offices when they were recruiting workers. They believed that universities should offer internships and create academic programmes based on labour market needs to enhance the employability of the students. However, it

may be that the onus should not be entirely on the educational institution: according to Kochan et al. (2012), companies must take the lead in the training of employees in order to reduce the 'middle skills' gap.

Graduates, on the other hand, appear to believe that the university has enabled them to develop the skills sought by the labour market through the academic programme, internships, participation in conferences and volunteer work. In addition, AUTH graduates said they had visited the Career Services Office of AUTH when they were looking for a job,

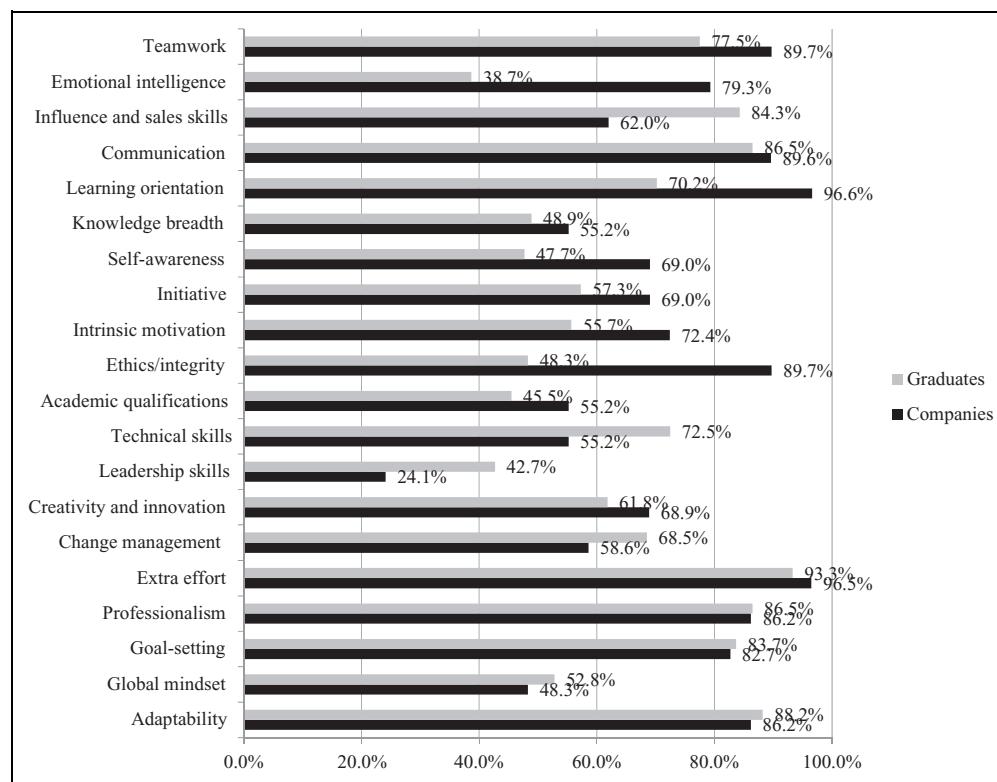


Figure 4. Skills graduates believe companies want compared to the skills companies actually want.

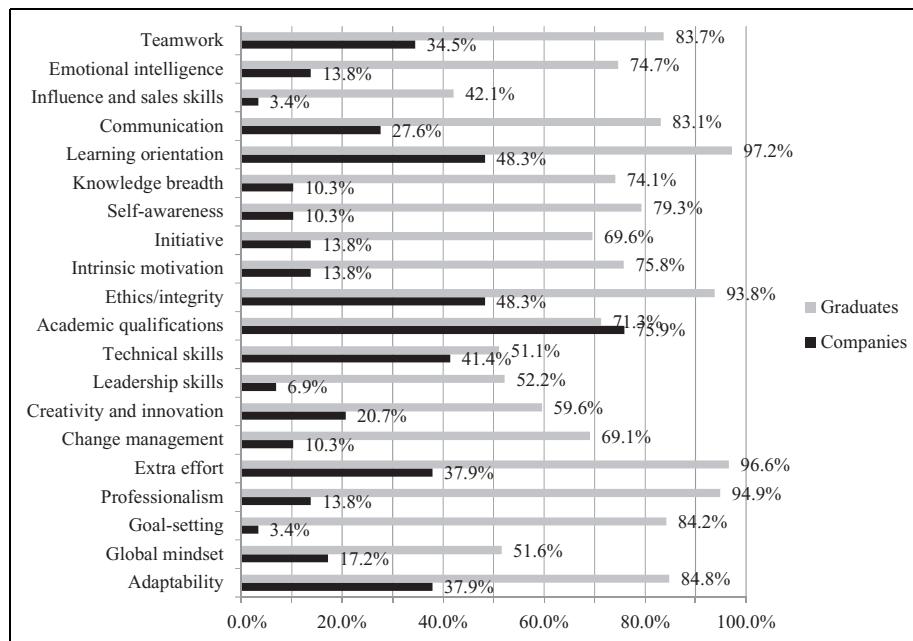


Figure 5. Skills graduates believe they possess compared to the skills companies believe they possess.

and had received help in contacting employers through the Career Days, writing curricula vitae and covering letters, using the right job search techniques, participating in workshops, acquiring interview skills and finding jobs in Greece.

Recommendations

In light of the above discussion, it is clear that there needs to be collaboration between universities and companies and

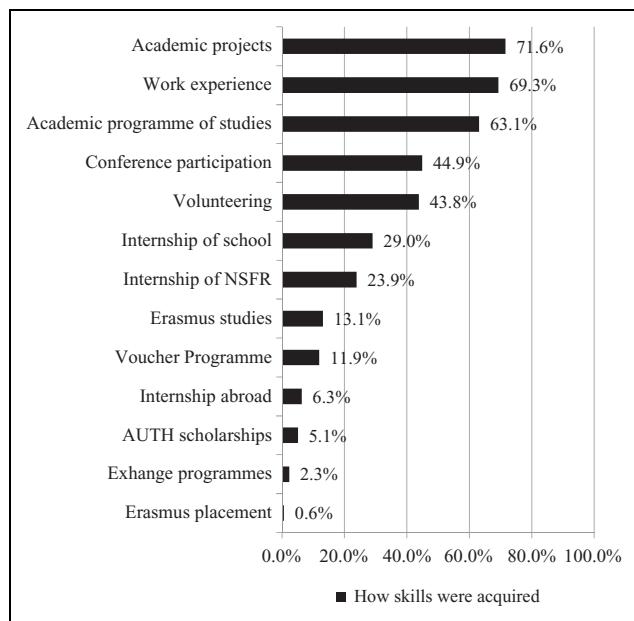


Figure 6. How graduates believe they acquired their skills.

policymakers to enhance the employability of young people. However, the role of the university cannot be limited to offering training courses tailored exclusively to labour market needs. The purpose of the university is to help shape responsible people with scientific, social, cultural and political awareness as well as providing education and training for academic and professional careers. Graduates need not only to fulfil present labour market requirements; they need also to be flexible enough to adapt to constant change and development. Additional training programmes, counselling support, mobility experiences and practice can enhance new graduates' employability and help them to succeed in their job search.

First of all, students and graduates need to take the initiative and develop their careers during their studies and to solicit available vocational guidance. For its part, the university should provide students, from their first year of study, with a combination of academic knowledge, personality and behavioural development and the development of soft skills. However, university curricula clearly cannot meet all the needs of employers. Labour market and employers' requirements change and it is neither possible nor desirable for curricula to be constantly adapted to meet these conditions. Nevertheless, employers can exert an influence by increasing cooperation with universities with regard to planning and financing initiatives, contributing to student training and helping to ensure their employment readiness (Kochan et al., 2012). Mentoring programmes, talent management programmes and internship programmes are among the ways employers can cooperate with universities to mutual

advantage. In particular, acquiring work experience through internships in companies helps students to develop skills that are directly related to the working environment and repays companies for their investment.

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