

COMPETENCY OF BUSINESS STUDENTS UNDERGONE INDUSTRIAL TRAINING: INDUSTRY' PERSPECTIVES

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ABSTRACT: *The industry is looking for graduates who have job-related competencies matching their needs. It is the university's job to ensure their students have those skills, so they are marketable enough and ready to enter the workplace. The objective of the study is to identify industries' perceptions on 534 business' student's employment skill competencies (interpersonal skill, soft skills and knowledge and technical skills during industrial training program and their employment opportunity. Another objective is to determine if there is a correlation between employment skill competencies and employment opportunity. The result, as overall, students have high competence with interpersonal skills rated as the highest in interpersonal skill while knowledge and technical skills rated as the lowest. The results also indicated that less than 50% of the students immediately hired after completing the internship. Finally, the study documented that there was no correlation between employment skill competence and employment opportunity. The implication of this study is that the stakeholders in education such as university, industry, educator, and the government should collaborate to make sure each of course learning outcomes match with industry's demands and needs.*

Keywords: Competencies, employment skills, industry, business students, industrial training

1. INTRODUCTION

Department of Statistics [1] reported that the unemployment rate in Malaysia averaged at 3.26% from 1998 until 2016 and hiked to 3.5% in March of 2016. It considered as a full employment where the International Labour Organization (ILO) defines a full employment as an unemployment rate less than 4%. However, the unemployment rate among graduates is still critical, as 1 out of 4 graduates remain unemployed six months after they graduated and they make up 35.3% of the total unemployed rate and 43.4% of them from Arts and social science [2].

Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar said 161,000 graduates or 8.8% of youths, aged between 20 and 24 years, and had yet to find a job [3]. Meanwhile, World Bank's Malaysia Economic Monitor [4] revealed that 1 in 5-degree holders in Malaysia under the age of 25 was unemployed and 220,527 (25.6%) graduates had not secured a job within six months after graduation in 2012 [5]. Finally Statistics Department [6] added that one third (31%) or 130,000 individuals of unemployed in Malaysia had a tertiary education.

Literature shows that the main factors contribute to this phenomena are employment skills competency that student has do not match with industry need [7]. Besides, others factors such as graduates' attributes, lecturers' competency and the quality of education [8]. Finally another researcher claimed that new graduates are not competent on communication skills and have bad attitudes [2].

Universities take various alternatives to increase student's employment skill competencies such as invite industries as academic advisers and involve them in the curriculum design, send lecturers for industrial attachment and train them in work-based learning. One of the most popular strategies is the industrial training. Therefore, this study focuses on industries' perceptions about business students' employability skill competency during industrial training.

Practical training is a students' placement in an organization within stipulated duration. It is to expose students to the real

working world and increase marketability. Students average performance interns more likely to receive full-time job offers than non-interns [9].

The objective of this study is to identify the industry perception on business 'student's employment skills, competencies during industrial training and their employment opportunity. The study also determines if there is any significant correlation between employment skill competencies and employment opportunity. It hopes the study will be able to provide university some critical clues on students employment skills competencies that industry is looking for and make sure students ready by including them in their course learning outcomes.

The purpose of practical training is to improve students' ability to secure a care Er-Oriented position, involving specialized knowledge, information technology, time management, communication skills and teamwork. It has a significant impact on employability skills and can improve skills and knowledge in specific technical skills and competencies [10]. Undergraduates who participated in internship were more 6.7 times more likely to find the job [11]. Finally NACE [12] reported that 60% employers said they prefer work experience gained through an internship experience.

The dependent variable for this study is competency skills. It refers to a group of essential abilities that involve the development of a knowledge base, expertise level, and mind--set that is necessary for success in the modern workplace [13]. It is a transferable skill needed by an individual to make them 'employable [14]. This study focuses on three employability skills competencies they are soft skills, Interpersonal skills, knowledge and technical skills.

Interpersonal skills is an employee's ability to get along with others whiles the job done [15]. These skills are critical and domain for industry [16].

Meanwhile, **soft skills** refer to broad sets of skills, competencies, behaviors, attitudes, and personal qualities that enable people effectively navigate their environment, work

well with others, perform well and achieve their goals [17]. These skills are the most graduate has a problem, and it becomes vital to fill the available job [18]. Industry wants resourceful employees with soft skills at all levels [19]. Finally, [20] said, the top two soft skills needed by employers today are integrity and communication.

Meanwhile, **knowledge and technical skills** referred as knowledge of and skills in the exercise of, practices required for successful accomplishment of a business or task [13]. Technical skill is the most skill required by industries.

Independent variable is employment opportunity: The first essential employment skills competency perceived by employers on recruiting graduate were personal attitude, employability skills, relevant work experience and degree result. [16] said, such as cognitive, interpersonal skill, interpersonal skill, and interpersonal collaboration competent.

Employability competent development programs offer to undergraduate students during internship have been found to enhance post-graduate employment [11]. Literature [21], shows found the gender of the graduates, employers, and university lecturers differ the perceptions on employability competence. Further, the findings also suggest that employability competent influenced by the gender of the graduates.

2. EXPERIMENTAL DETAILS

This study examined the perceptions of 534 industrial supervisors on 534 business students' competencies during industrial training in 2015. The data gathered from the industrial supervisors' assessments on students' performance on employment competencies which include interpersonal, soft skills and knowledge and technical skills. They were also asked to rate students' employability opportunities in that particular organization. The employment competency performance measured through 5-point Likert scale items (strongly agree = 5 to strongly disagree = 1). Finally, descriptive statistics and correlation coefficient are used to answer the objective of the study.

3. RESULTS AND DISCUSSION

This part will discuss the background of respondents, employability, skills, competencies, employment opportunity and the correlation between employment skills competencies and employment opportunity.

Background of Respondents

In table 1, 57.7% of respondents are from May 2015 academic year, meanwhile 42.3% from January 2015. In terms of placement, the majority did their training in the private sector (76.6%) and more than half (57.7%) from BHRM. The majority or 70.7% were female. The detail is in Table 1.0.

Table 1 Background of Respondents

No	Items	N	%
1	Academic Year	Jan 2015	226 42.3
		May 2015	308 57.7
2	Placement	Government	125
		Private	409 76.6
3	Programme	BOF	56 10.5
		BIM	39 7.3
		BBM	125 23.4
		BHRM	306 57.3
		BOM	8 1.5
4	Gender	Male	157 29.4
		Female	377 70.6

BOF: Bachelor of Finance; BIM= Bachelor of Industrial Management; BBM – Bachelor Business Management; BHRM – Bachelor of Human Resource Management and BOM- Bachelor of Marketing

Employability skills competencies

Employability skills in this study refer to interpersonal skills, soft skills as well as knowledge and technical skills. In Table 2 shows that performance of business students as rated by industry is high with interpersonal skills (Total A) as the highest, followed by soft skills (Total B) and least is knowledge and technical skills (Total-C).

Table 2: Employability Skills Competencies

	N	Minimum	Maximum	Mean	Std. Deviation
Total A	534	15.00	35.00	31.0094	3.56314
Total B	534	14.00	35.00	29.9195	3.69512
Total C	534	7.00	20.00	16.8745	2.43743

Interpersonal skills competencies

Table 3 shows that majority of students rated competent by industries in attitude (4.57) and accountability and responsibility (4.50) but less competent in the quality of work/creativity (4.24) and motivation (4.34).

Table 3 Interpersonal Skill Competencies:

NO.	Interpersonal Skills	N	Mean	Std. Deviation	Rank
1	Attitude	534	4.57	.592	1
2	Accountability and Responsibility	534	4.50	.624	2
3	Appearance	534	4.45	.604	4
4	Flexibility	534	4.43	.640	5
5	Motivation	534	4.34	.710	6
6	Willingness	534	4.48	.599	3
7	Quality of Work	534	4.24	.717	7

Soft skills competencies

Table 4 shows industries rated students highly competent in social and human interrelation skills (4.63) and teamwork (4.34) and less on computer & the system (4.01) and

management skills (4.16). Finally is weak on communication (1.3%).

Table 4: Soft Skill Competencies

NO.	Soft Skill Competencies	N	Mean	Std. Deviation	Rank
1	Communication: Oral	534	4.32	.674	3
2	Communication: Written	534	4.17	.710	5
3	Management Skills	534	4.16	.699	6
4	Problem Solving	534	4.30	.738	4
5	Computer & System	534	4.01	.744	7
6	Teamwork	534	4.34	.655	2
7	Social & Human Interrelations Skill	534	4.63	.582	1

Knowledge and Technical Skills competencies

The last portion is the knowledge and technical skills, the majority of the industries rated them as good on learning

capability (4.39) and efficiency (4.36) and less on identifying and formulate job problem (4.02).

Table 5: Knowledge and Technical Skills competencies

NO.		N	Mean	Std. Deviation	Rank
1	ID & Formulate Job Problem	534	4.02	.724	4
2	Efficiency	534	4.36	.689	2
3	Learning Capability	534	4.39	.658	1
4	Knowledge & Creativity	534	4.11	.729	3

Table 6 shows that 42.5% business intern students secured the job within the intern company with 35.4% in private and

another 7.1% from the government sector. Only 27.9% of full-time, 11.24% as a contract and finally 3.37% as part-time employees.

Table 6. Employment Opportunity

EO	Hired FT.		Hired PT.		Hired Contract		Total Hired		Not Hired	
	N	%	N	%	N	%	N	%	N	%
Private	124	23.2	17	3.18	48	8.99	189	35.39	220	41.2
Government	25	4.57	1	0.2	12	2.25	38	7.12	87	16.3
Total	149	27.9	18	3.37	60	11.24	227	42.51	307	57.5

EO- Employment Opportunity; Hired FT- Hired Fulltime; Hired PT – Hired Part time.

Correlation between Employment Skills Competency and Employment Opportunity

Table 7 shows that there was a significant correlation between employment skills; interpersonal skills, soft skills, and knowledge and technical skills. The (p-value= 0.000<0.05). However, the result indicated that that employment skills competency not significantly correlated with employment opportunity (p-value > 0.05). It can conclude that employment skills were related each other, but employment skills were not only the main criteria for interns to be hired or not.

DISCUSSION

The study investigated the industry perceptions on employability skills competencies among business students in a private university during industrial training in Malaysia. The result shows that as the whole industry rated business students as competent as the mean of industry responses regarding employment, skills, competencies were all above 4.00 on a scale of 1-5. The main competent is interpersonal skills, followed by soft skills and the last is knowledge and technical skills.

Overall, the industry ranked social and human interaction skills, attitude, Accountability and responsibility, willingness and appear as the top five employee skills competencies. Meanwhile, computer & system, identify and formulate job problems, knowledge, and creativity, management skill and

communication, written rated as the bottom five of employment skill competencies among business students during practical training.

Table 7 – Correlations among employment skills and employment opportunity

		Total A	Total B	Total C	E.O.
Total A	Pearson Correlation	1	.805**	.722**	-.129
	Sig. (2-tailed)		.000	.000	.051
	N	227	227	227	227
Total B	Pearson Correlation	.805**	1	.789**	-.110
	Sig. (2-tailed)	.000		.000	.099
	N	227	227	227	227
Total C	Pearson Correlation	.722**	.789**	1	-.065
	Sig. (2-tailed)	.000	.000		.329
	N	227	227	227	227
EIE.O.	Pearson Correlation	-.129	-.110	-.065	1
	Sig. (2-tailed)	.051	.099	.329	
	N	227	227	227	227

** . Correlation is significant at the 0.01 level (2-tailed).

It concludes that as the whole business students rated as excellent in person attribute, but lacked in term of job attribute. Another word, industry perceived that business students are ready in term of physically and mentally to enter workplace, but not ready in term of KSA (knowledge, skill, and abilities) to perform the job. The new graduates are having difficulty in applying what they learned at the educational institutions with the working places. It is also in line with the study by [22-23] found that business students mainly lacked in term of technical skills.

However, It contradicts with the study done by [25] who found personal attribute, work motivations as significant predictors of early career success. Others study found individual attributes such as; trustworthiness, reliability, motivation, communication skills and a willingness to learn are crucial when recruiting graduates[21], problem solving, positive attitude toward work, working as team members, learning skills and self-confidence are important employability skills by employers. Finally, blamed new graduates blamed as having poor in communication skills and bad attitude as the main reasons for industry’s refusal to hire them [2].

In terms of employment opportunity, study shows only less than half of respondents hired after industrial and only one third hired as full-time employees, the rest of contract and part-time basis. This finding could be varied reasons, such as the employment skills, competencies, which rated as excellent by industry may not skills related to their job and less related to employment. As a result shows business students in this study excellence in personal attribute, but literature shows industry looking more applicant that has job/technical skills or KSA. Employer's still belief that qualified workforce means employees that able to do the job. Those who has technology/computer related skill and technical skills, as well as technology instrument and

information systems skills, are the main requirement for employers in any industry [26].

Another interesting finding of this study is that there is no significant correlation between employment skills competencies and employment opportunity. It means that skill competencies are not the ticket to the employment. It could be due to skill gap exist between skill own by new graduate and skills were required by industry. Another possibility, some organizations uses an industrial training as a source of cheap, and often free [27]. In China, it reported that many manufacturing use internship, students as cheap labor and some of them claimed not related to their study [28]. Finally, in Malaysia case, the possible reason is getting a double tax deduction [29].

CONCLUSIONS

Overall, this study contributes to the investigation of business students ‘performance on employability skills competencies during industrial training. However, some limitations may require in-depth study in the future. This study only based on industrial supervisors' perceptions; they may not represent the company's opinion or policy. The students were also from one program from one university only, and again the result may not represent the real situation in higher education and industries as the whole. Another limitation, some evaluators evaluated based on the actual performance, but also based on others, such as their personality or because they want to help students to get higher marks or to attract/motivate them to contribute more to the companies. As is shown in the discussions, industries and researchers have different opinions on employment skills needed. Therefore, future studies should use multiple sources, such as industries, students, and academicians. Besides, new approaches of methods need to be employed, such as questionnaires and interviews. Hence, across universities and industries, we can

compare and hopefully the results may be more accurate and represent the real situation.

Finally, recommendation for implication, universities need to find an alternative solution to make sure students are ready to enter the job market. It may be helpful to look back on the current industrial training programme, make sure that the students are placed in the right company, and provide them with set of skills required or manual so industry know the expectation from the University. Next, universities may invite expertise from industry to be an industrial advisor as they can provide constructive feedback to the undergraduates as a means of sharpening their employability skills which are most sought after by employers nowadays.

Universities may re-structure their teaching and learning tools, and make sure the tools to match with organization needs and be able to produce students that able to use higher critical thinking. The real cases at work could also bring into lectures to enable the undergraduates to have a hands-on experience in tackling job task in their areas of studies at the real working world environment.

Last but not least, the employment opportunity is not just about employability skills, it could influence internal factors such as company policy, culture or program or vacancy available. External factors also play a crucial role, such as the economy, labor market, and cultural orientation.

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