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Importance of Employability Skills from Employers' Perspective

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Abstract

This study was conducted to explore the importance of employability skills of engineering graduates through employers' perspective. The respondents consisted of 180 employers in various fields of engineering in Peninsular Malaysia. The instruments used in this study were adapted from the SCANS model. The result shows that the employers put high level of interests in employability skills as must have skills from graduates. The study also showed no significant differences between the size of company and employability skills. There are however, significant differences between information skills and technology skills acquired by graduates.

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1. Introduction

Human capital development is an effort to achieve cost savings and improve the performance of the industry. Schultz (1963) defined human capital as an important element for upgrading company performance and to improve productivity of employees and sustainability to be more competitive. Human capital is referred to as a process involving training, education and professional initiatives to improve the knowledge, skills, abilities, values and social assets that will lead to employee job satisfaction and performance while improving the performance of the company (Marimuthu, Arokiasamy & Ismail 2009). Theory of Human Capital (Schultz, 1963) is essentially from the theory of macroeconomic development discipline. Human capital theory approach is used by Becker (1993) in the education system. He commented that there are a variety of capitals, including education, computer training and health needs. Human capital is referred to as the knowledge, expertise and skills acquired by a person through the medium of education and training. Tertiary education plays an important role in the provision of human capital for achieving k-economy. Industries were competing against each other in order to adapt and remain in the market. In order to achieve this goal, the industry must have a competitive employee that will have the ability to withstand the global market. In order to achieve that, employer spends a lot of investment to develop the human capital of workers to master the skills needed in the arena of globalization. However, the cost of developing human capital is increasing; with these, employers expect educational institutions to produce graduates with employability skills required by the market without additional training from the industry. Therefore, graduates with employability skills

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will have an advantage in getting jobs in the industry. The institutions of education such as polytechnics must produce graduates who not only have technical skills but also non-technical skills (employability skills).

2. Literature Review

The study done by Yahya (2005) has identified the elements of employability skills that have been integrated into the agricultural vocational education programs in vocational training institutions in Malaysia agriculture and its importance for employers of commercial agricultural industry in Malaysia. The study also found that five elements of employability skills always integrated by the teaching staff of agricultural vocational training institutions during the teaching process were; a) Cooperating with others, b) working in a team, c) possessing honesty, integrity and personal ethics, d) following instructions given, and e) interacting with others. While the employers in commercial agricultural industry were of the opinion that employability skills were very important to ensure that the employees could deliver quality of work that is expected of them. The study, found five important elements needed by employers in the industry; a) possessing honesty, integrity and personal ethics, b) cooperative with other, c) using technology, instrument and information systems effectively, d) making decisions, and e) managing times. Three main constraints that the teaching staff of agricultural vocational training institutions have to face in order to integrate the elements of the employability skills were; a) inability to understand the term of employability skills, b) unavailability of guidelines to integrate element of employability skills, and c) no evaluation of employability. Five criteria of better quality workers needed by industrial employers industry towards their workers; a) always on time, b) maintaining task efficiency, c) producing high quality tasks, d) showing interest on the career, and e) hard working.

Gurvinder and Sharan (2008) done a study on the perceptions of employers concerning the employability skills needed in the job market and graduates' perception of the employability skills that they currently possessed. Eleven variables that make up employability skills based on past research were examined in this study. However, only seven factors, which were the result of factor analysis, were considered. The results of this study revealed that employers preferred to hire graduates from public universities. Moreover, graduates and employers placed similar importance in terms of the ranking of employability skills, where both employers and graduates perceived the order of importance of employability skills to be the same. However, there was a difference between employers' and graduates' perceptions for all seven employability factors, where employers rated graduates much lower in terms of mean rank. The results of this study also suggest that younger employers tend to be more favourable to graduates' employability skills. The higher the job position of the employer within the organization, the higher are the expectations of graduates.

Smith (2007) in his study to determine to what extent that the Georgia Quality Core Curriculum (QCC) employability standards were included in the Family and Consumer Sciences (FCS) curriculum. The 149 middle school teachers in this study were asked to score on a 4-point Likert type scale whether they considered each of the 25 employability standards to be a major objective, an important objective, an incidental objective, or not an objective in their teaching. Results showed that 16% of the 25 employability standards were identified as a major objective in their teaching by a majority of the participants whereas, 64% of the 25 employability standards were identified as important objectives in their teaching by a majority of the respondents. When teacher groups were compared based on years of teaching experiences and the seven topics of the employability standards, there were no significant differences found between the teacher groups on any of the seven topics.

Chung and Yet (2009) investigated the undergraduates' core competencies ability to meet with the requirements set by the employers and to analyse the effectiveness of personal qualities and employability skills development in private university in Malaysia. Questionnaires survey, mean score comparison, and independent sample t-test were used to capture the perception differential between 30 employers and 600 undergraduates from a local private university on the importance of employability skills. The results show that the undergraduates were all highly competent in possessing the said personal qualities and skills. However, such skills as critical analysis, planning, problem solving, oral communication, decision making, and negotiating report a slightly higher level of mismatch between employers' and undergraduates' perception on their importance and development in the University. Previous studies prove employability skills need in the education system to ensure that graduates are competent and competitive. Employability skills are important skills for graduates to possess nowadays. Research in the country and even in western country showed the important of the skills indicated that non-technical skills is a global issue. However, a study of the importance of graduate employability skills at the Polytechnic of Higher Education Ministry is not yet explored by previous researcher.

3. Statement of Problem

The study done by Ahmad Zaini (2005) for technical graduates found that 80,000 technical graduates who are still unemployed, and these graduates are largely depend on academic qualifications to get a job but with less non-technical skills or generic skills required of employers. Employers tend to find competent workers from abroad because of local graduates lack of employability. According to Mohammad Sattar (2009), skills of 'employability' is the ability of non-technical and occupational skills that are just as important as technical skills. According to Ramlee (1999), employers in the industry said that technical graduates in Malaysia have adequate technical skills but employers are still not satisfied with the communication skills, interpersonal, critical thinking, problem solving and entrepreneurial skills possessed by those graduates.

The study by IPPTN (2004) found that most graduates who were unemployed come from fields such as social science, literature, economics, science and technical. The unemployment problem largely due to the weakness in non technical skills among the graduates themselves. These factors cause difficulties for graduates to compete for a place in the employment sector. According IPPTN (2004), skills that are not possessed by the graduates were communication skills, English language and use of information technology. The lacks of communication skills and written communication skills especially by graduates are the major cause them being unemployed (IPPTN 2004). According to the Economic Planning Unit (2006), the unemployment rate will rise from 3.1% (2000) to 3.5% (2010). In order to ensure that graduates are able to survive in the arena of employment today they must have employability skills for continuous development of new skills and adaptation to changes (Australian Council for Educational Research, 2001; Kearns, 2001). Therefore this study aims to identify the importance of employability skills through employers perspective.

4. The purpose of this study

The purpose of this study was to explore the elements of employability skills that are importance from industrial perspective. While the research objectives to be achieved in this study were:

- a. To identify the importance of employability skills from the perspective of industrial employers.
- b. To determine differences in the importance of employability skills from the perspective of employers based on company size, company type and ownership status of the company.

5. Research Methodology

This study used a descriptive research design with quantitative approached. This study aims to identify the importance of employability skills from the perspective of industrial employers. Quantitative data for this study were obtained through questionnaires adapted from the SCANS Model (2001). The study sample is Peninsular Malaysia employers who have taken students from Polytechnic as a trainee in their company. A total of 500 questionnaire were distributed to employers and a total of 180 questionnaires were collected back from the employers from various backgrounds.

5.1 Research Instruments

This study utilised a questionnaire containing two parts, A and B. Part A consists of five items related to the position, company size, scope, type and ownership status of the company. Part B consists of seven constructs of the SCANS Model (2001). Questionnaire used 5 point Likert scale in this study refers to: 1 = extremely unimportant, 2 = very unimportant, 3 = important; 4 = very important, 5 = extremely important. The levels of mean scores of the variables are measured according to the chart mean score obtained by using the formula Nunnally (1978) (Table 1).

Table 1. Score means based on Nunnaly 1978

Score Mean	Score
1.00-2.00	Low
2.01-3.00	Medium low
3.01-4.00	Medium high
4.01-5.00	High

5.2 Reliability

In order to determine the reliability of the instrument, the reliability test were used. Table 2 shows the reliability (Cronbach Alpha) of seven items in the employability skills domain which has been tested. The highest score are quality individuals (0.885), followed by the system and technology skills (0.875), interpersonal skills (0.821), information skills (0.839), thinking skills (0.830), resources skills (0.809) and basic skills (0.802). Mohd Majid (2000) suggests a minimum value equal to 0.6. All the variables used in this study showed Cronbach Alpha values more than 0.6 indicating that the chosen item are consistent and reliable.

Table 2. Cronbach Alpha values for *Employability Skills*

Variables	Item Nos	Cronbach Alpha
Basic Skills	5	0.802
Thinking Skills	6	0.830
Resources Skills	5	0.809
Information Skills	4	0.839
Interpersonal Skills	6	0.843
System and Technology Skills	5	0.875
Personal Quality	8	0.885

6. Findings

6.1 Company Profile

Table 3 shows, a total of 71 companies (39.7%) with the number of workers under 50 people, 25 companies (14%) with the number of employees between 50 to 99 people, 23 companies (12.8%) with the number of employees between 100 to 199 those, 28 companies (15.6%) with the number of employees between 200 to 499 people, 32 companies (17.9%) with the number of employees more than 500 people. A total of 73 (40.8%) managers, 64 (35.8) and 42 supervisors (23.5%) other positions involved in this study. A total of 173 companies involved in this study where a total of 56 from civil engineering companies (32.4%), 31 of electrical engineering (17.9%), 33 mechanical engineering companies (19.1%) and 53, others companies (30.6%) participated in this study. A total of 138 companies (82.1%) belonged to local companies, 13 companies (4.8%) owned by foreign companies, 16 companies (5.9%) is dominated by joint ventures and others one company (0.6%).

Table 3. Respondent Profile

Background	Frequency	Percentage
Company size:		
<i>Below 50</i>	71	29.7
<i>50-99</i>	25	14.0
<i>100-199</i>	23	12.8
<i>200-499</i>	28	15.6
<i>More than 500</i>	32	17.9
Position:		
<i>Manager</i>	73	40.8
<i>Supervisor</i>	64	35.8
<i>Others</i>	42	23.5
Scope:		
<i>Civil</i>	59	33.3
<i>Mechanical</i>	35	19.8
<i>Electric</i>	41	23.2
<i>Others</i>	42	23.7
Ownership Status:		
<i>100 % local</i>	138	82.1
<i>100 % foreign</i>	13	4.8
<i>Joint venture</i>	16	5.9
<i>Others</i>	1	0.6
Company Types		
<i>Civil</i>	56	32.4
<i>Mechanical</i>	33	19.1
<i>Electric</i>	31	17.9
<i>Others</i>	53	30.6

6.2 Level of employability skills importance from Employers Perspective

The findings in Table 4 showed the mean of the seven variable of employability skills. The analysis showed that personal quality (M = 4623) is the highest mean values followed by interpersonal skills (M = 4433), resources skills (M = 4395), basic skills (M = 4372), information skills (M = 4328), thinking skills (M = 4308) and system and technology skills (M = 3308). Personal quality emphasized by the employer has the highest value indicating the item is one of the most important elements of employability skills.

Table 4. Variable descriptive analysis

Variables	Means	Standard Deviation
Personal Quality	4.623	0.408
Interpersonal Skills	4.433	0.503
Resources Skills	4.395	0.559
Basic Skills	4.372	0.527
Information Skills	4.328	0.577
Thinking Skills	4.308	0.508
System and Technology Skills	4.308	0.565

6.3 The importance of employability skills compared to the size of the company

A one-way ANOVA test results shown in Table 5 shows no significant difference between the employability skills (basic skills, thinking skills, resources skills, information skills, interpersonal skills, system and technology skills and personal qualities) and the size of the company with respect to the number of employees.

Table 5. One way ANOVA to determine the importance of employability skills compared to the size of the company

<i>Employability Skills</i>	Variation	Total Power of two	Df	Varsians	F	Sig.
Basic Skills	Between Group	1.202	4	.300	1.080	.368
	Within Group	48.409	174	.278		
	Total	49.611	178			
Thinking Skills	Between Group	1.139	4	.285	1.101	.358
	Within Group	44.998	174	.259		
	Total	46.137	178			
Resources Skills	Between Group	1.771	4	.443	1.421	.229
	Within Group	54.195	174	.311		
	Total	55.965	178			
Information Skills	Between Group	2.651	4	.663	2.023	.093
	Within Group	57.004	174	.328		
	Total	59.655	178			
Interpersonal Skills	Between Group	1.198	4	.300	1.182	.320
	Within Group	44.092	174	.253		
	Total	45.291	178			
System and Technology Skills	Between Group	1.361	4	.340	1.061	.377
	Within Group	55.777	174	.321		
	Total	57.137	178			
Personal Quality	Between Group	.661	4	.165	.993	.413
	Within Group	28.761	173	.166		
	Total	29.422	177			

* Significant at level of 0.05 (2 tails)

6.4 The importance of employability skills compared to the type of company

Table 6 shows one way ANOVA test to determine the importance of employability skills compared to the type of company. The tests indicated that information skills and technology skills showed significant differences by type of company. While the basic skills, thinking skills, resource skills, interpersonal skills and personal qualities showed no significant difference by the type of company. This showed the elements of information and technology skills are not demanded by some employers, such as civil engineering because they do not require information and technology skills while doing the work at project site.

Table 6. One way ANOVA to determine the importance of employability skills compared to the type of company

<i>Employability Skills</i>	Variation	Total Power of two	Df	Varsians	F	Sig.
Basic Skills	Between Group	1.648	3	.549	1.975	.120
	Within Group	46.999	169	.278		
	Total	48.647	172			
Thinking Skills	Between Group	1.077	3	.359	1.394	.246
	Within Group	43.512	169	.257		
	Total	44.589	172			
Resources Skills	Between Group	.656	3	.219	.696	.556
	Within Group	53.074	169	.314		
	Total	53.729	172			
Information Skills	Between Group	3.527	3	1.176	3.631	.014**
	Within Group	54.721	169	.324		
	Total	58.248	172			
Interpersonal Skills	Between Group	.847	3	.282	1.099	.351
	Within Group	43.442	169	.257		
	Total	44.289	172			
System and Technology Skills	Between Group	3.509	3	1.170	3.785	.012**
	Within Group	52.221	169	.309		
	Total	55.729	172			
Personal Quality	Between Group	.107	3	.036	.212	.888
	Within Group	28.234	168	.168		
	Total	28.340	171			

** Significant at level of 0.05 (2 tails)

6.5 The importance of employability skills compared to the ownership status of the company

Table 7 shows one way ANOVA tests to determine the importance of employability skills compared to the ownership status of the company. The tests indicated that interpersonal skills showed significant differences with the ownership status of the company. While the basic skills, information skills, technology skills, thinking skills, skills, resources and personal qualities do not showed significant differences by ownership status of the company.

Table 7. One way ANOVA to determine the importance of employability skills compared to the ownership status of the company

<i>Employability Skills</i>	Variation	Total Power of two	Df	Varians	F	Sig.
Basic Skills	Between Group	.519	3	.173	.609	.610
	Within Group	46.626	164	.284		
	Total	47.145	167			
Thinking Skills	Between Group	.027	3	.009	.034	.992
	Within Group	43.802	164	.267		
	Total	43.829	167			
Resources Skills	Between Group	.453	3	.151	.473	.701
	Within Group	52.312	164	.319		
	Total	52.765	167			
Information Skills	Between Group	.851	3	.284	.836	.476
	Within Group	55.693	164	.340		
	Total	56.544	167			
Interpersonal Skills	Between Group	2.614	3	.871	3.477	.017**
	Within Group	41.095	164	.251		
	Total	43.708	167			
System and Technology Skills	Between Group	.397	3	.132	.405	.749
	Within Group	53.594	164	.327		
	Total	53.991	167			
Personal Quality	Between Group	.692	3	.231	1.383	.250
	Within Group	27.191	163	.167		
	Total	27.883	166			

** Significant at level of 0.05 (2 tails)

7. Conclusion

In this study, the result showed that employers rated the importance of employability skills at a high level. This shows that all employers, especially employers in civil engineering, electrical and mechanical placing employability skills as must be owned by all graduates to enable them to compete in the global market. The authorities of education institution should enhance the employability skills of the students either through the professional development of lecturers, curriculum and co curriculum.

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