

# **Modelling Business Graduate Employability: Developing a New Conceptual Framework through Empirical Research.**

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## **Abstract**

The 'internationalisation' of Business and Management education, reflective of EU enlargement and the unprecedented globalization of education, has resulted in growing numbers of overseas students adding a diversity and richness to the learning environment within many contemporary European Higher Educational institutions (Green, 2006; Sliwa & Grandy, 2006). However, cross-national studies analyzing the impact that the internationalisation of business education has on the employability of business and management graduates are rare. Furthermore, there exists a notable gap in research aimed at identifying and conceptualising the generic business skills and competencies required by European employers of business and management graduates. By proposing a conceptual framework based upon a working model of business graduate employability, this goes some way to addressing this gap.

**Keywords:** Graduate Employability: Business & Management Education: Empirical Research.

## **Introduction & Background**

The ‘internationalisation’ of Business and Management education, reflective of EU enlargement and the unprecedented globalization of education, has resulted in growing numbers of overseas students adding a diversity and richness to the learning environment within many contemporary European Higher Educational institutions (Green, 2006; Sliwa & Grandy, 2006). However, cross-national studies analyzing the impact that the internationalisation of business education has on the employability of business and management graduates are rare. Furthermore, there exists a notable gap in research aimed at identifying and conceptualising the generic business skills and competencies required by European employers of business and management graduates. By proposing a conceptual framework based upon a working model of business graduate employability, this goes some way to addressing this gap.

The aim of the study was to conceptualise and identify key individual and business related skills and competencies required by employers of business graduates and holders of other ‘Higher Level 1 and Level 2’ qualifications<sup>[1]</sup> and to discover whether Higher Education business programmes across Europe are meeting the needs of an increasingly global marketplace. Each of the four countries included in the study have very different higher education sectors. Slovenia has the smallest sector with just over 67, 200 students (EIU, 2005a) enrolled at three state owned and managed universities and seven private Higher Education Institutions (Doling, 2005). Austria has around 200,000 students (EIU, 2005b) enrolled in 112 Higher Education Institutions (HEI’s) comprising a mixture of Universities and Fachhochschulen (vocationally focused Higher Educational Institutions). Of the four countries Romania has the most complex HE Sector with over 1.5 Million students enrolled in 112 public and private universities and colleges (Arsene, 2005). Higher education in Romania is delivered by six different types of HEI’s comprising of Universities, Academies, Polytechnics, Institutes, Colleges and Postgraduate schools (Miroslav-Valeriu et al, 2002). The United Kingdom has the largest sector with around 2 million undergraduates (Lightfoot, 2006) enrolled in 197 HEI’s (SCIT, 2006).

Demographic differences between the countries are exaggerated by social and economic disparities. Despite this, the content of business related undergraduate

courses is remarkably similar in all business schools taking part in the study<sup>[2]</sup> with similar 'core' modules such as accounting, strategic management, marketing and human relations, to name but a few, being taught in each institution. However, other similarities between the four educational sectors are somewhat hard to find with the emphasis given to monitoring and evaluation of quality in teaching and research varying greatly between each country. Such diversity in quality evaluation and management reflects contextual differences in student learning and teaching in each country. Whilst Slovenia is in the early stages of establishing quality control mechanisms (BFUG, 2005), the UK, Romania and Austria all have formal, independent, Quality Assurance Agencies. Although the main purpose of such agencies is to assess and evaluate the quality of higher education within each country, and the function and ethos of each of the three Quality Assurance Agency's appears similar, the authority and scope of each Agency to facilitate and deliver improvements to Higher Education varies greatly (AQA, 2006: CNEAA, 2006: QAA, 2006).

## **Methodology**

Undertaking business and management related research in four very different European countries provoked some unforeseen cultural and academic methodological differences and difficulties. For example, prior to commencing the fieldwork, a critical review of the relevant academic and practitioner literature in each of the four partner countries was undertaken. It was initially assumed that the term 'literature review' would mean the same within each of the academic settings in which the project was based. However, whilst each separate part of the review was written in English, when synthesizing and critiquing the four separate literature reviews, it quickly became apparent that the term had different meanings to each of the researchers working on the project. Such differences meant that considerable difficulties were experienced in merging the four documents into one. The difficulties encountered reflected issues around different cultural and academic expectations and standards in relation to: referencing techniques and strategies; relating narrative and/or descriptive accounts to empirical, rather than anecdotal, evidence; writing styles and formats; and other linguistic concerns reflective of translation issues and restrictions associated with conducting research in a foreign language.

In retrospect, it is apparent that such difficulties were rooted in the failure of the cross-cultural research team to take account of semantic nuances and differences between each country and language. The *a priori* assumption made by the research managers (including the writers of this paper) that all of the researchers shared similar 'European' academic cultures and expectations was quickly proved wrong, resulting in a 'steep learning curve' and cultural shock for all those involved. The need for researchers working within a cross-cultural setting to take account of linguistic, cultural and other difference is reflected in the literature (Ryan et al, 1999; Schaffer & Riordan, 2003) which stresses the importance of developing a shared meaning within any cross-cultural research setting.

#### - **The Research Process**

Having overcome the initial methodological 'teething' problems of the literature review; key generic themes and issues were identified from the (eventual) 'UK-centric' literature review. Utilising qualitative research techniques, two separate interview questionnaires were formulated (employers and graduates). Each questionnaire comprised of semi-structured, open-ended, qualitative research questions. The graduate interview questions focused on individual's experiences of making the transition from education to employment and were themed into five different areas: perceptions of current employment situations; reflections on higher education; experiences of work-based learning and other work; possession of business focused skills and competencies; and the usefulness of interpersonal and communication skills and competencies. The employer questionnaire followed a similar approach focusing upon: graduate recruitment issues including training and formal graduate employment schemes; perceptions of, and organizational links with, higher education; key business skills and competencies expected of graduates within the work environment; and interpersonal and communication skills and competencies. The semi-structured nature of the interview schedules was particularly useful because it took account of cultural and linguistic differences and provided the research tools necessary for individual interviewer's within each country to fully explore the relevant issues whilst giving the participants the freedom and opportunity to discuss matters they felt important (Bryman, 2001).

Across the four counties a total of forty-five individuals were interviewed, thirty graduates and fifteen employers. Ten of the employers were located in the private sector, and five in public sector organizations. Each interview, which took on average an hour to complete, was tape-recorded and where necessary translated into English prior to transcription. The transcripts were then analysed by one of the authors utilising grounded theory methodology (Glaser & Strauss, 1968).

### **The Study Findings**

Four significant themes emerged out of the research, each one focusing on different components of graduate employability:

- Business skills, knowledge and acumen:
- Soft skills (communication and interpersonal):
- Work-based learning and work experience:
- The 'added value' of employing a graduate.

One of the unexpected issues to emerge out of the study was the similarity in the employers' perceptions of the skills and competencies necessary to enhance graduate employability irrespective of country of origin. This supports previous arguments that similar expectations and demands are made of graduates across the globe (Harvey & Bowers-Brown, 2004). Moreover, the graduates' perceptions, whilst contextually different, were also remarkably analogous. There were however, some notable differences between employer and graduate opinions.

#### **- Business Skills, Knowledge and Acumen**

One of the important issues to emerge out of the study related to the graduates' motivations for choosing to study business or business related subjects at a higher level. Many expressed instrumental reasons believing that a business qualification in itself can enhance employability:

*I had to have a business degree. It is absolutely vital in the financial sector (UK Graduate)*

*It was very important to have a business degree in order to get a job..... (Romanian Graduate)*

The 'sellable' nature of a business degree in terms of employability was only one factor determining why the graduates had originally selected to study in this area. Another important consideration was the design of the various programmes studied, the nature of which was considered by the graduates to provide a depth of knowledge and understanding of business:

*I wanted to combine separate elements. Business with something else. It was hard work but I gained a lot of knowledge... (UK Graduate)*

*I enjoyed studying business [there was] a lot of project work and interaction with people from industry... (Austrian Graduate)*

In addition to commenting about the manner in which their degree programme had been structured and taught many of the graduates drew attention to the importance of the content and context of their educational programme. Indeed, specific areas of business knowledge acquired whilst in education proved to be a valuable asset for the graduates, many of whom identified particular modules they felt to be of the greatest use to their employment:

*The marketing modules have been most helpful to my job. There's always an element of marketing within sales. (Austrian Graduate)*

*The finance module has been most useful for my current position. I also find HR beneficial... (Slovenian Graduate)*

The ability to adapt the business skills and knowledge acquired in education to the work environment was a valuable asset for the graduates who described how they were able to apply core business skills to their employment:

*I use every module in my daily work. I develop smart objectives to work from and towards. In every case I begin with a PEST and a SWOT analysis. (UK Graduate)*

*I manage accounts... and try to get new businesses. I need an understanding of business strategy and management... (Austrian Graduate)*

Graduate assertions about the advantages of studying business in terms of core business skills and knowledge were supported by employer perspectives about the positive aspects of employing graduates with a business focused qualification:

*The content of the job requires the knowledge of many subjects such as marketing, finance, strategy and so on... (Austrian employer)*

*We're looking for IT skills, business related skills and business knowledge... (Slovenian Employer)*

Whilst the ability to apply core business skills acquired during education to employment was identified as an important facet of business education, some of the employers perceived the most valuable asset offered by the graduates to be business acumen:

*We expect them to have business acumen, to be able to have the ability to take hold of reality and apply the knowledge they've gained at university... (UK Employer)*

*We're looking for people who understand what's going on in the business world... (Romanian Employer)*

However, other employers felt that business acumen was somewhat lacking in the students they interviewed and graduates they subsequently employed:

*Business acumen is the one key thing we look for the most. Many students fall down on this.....*

(Austrian employer)

*Graduates often do not know how to combine things, they do not know how things are connected to each other. There is a lack of overall thinking... (Slovenian employer)*

Whilst some employers were concerned about a lack of business acumen, the graduates themselves described more practical difficulties when discussing problems encountered whilst making the transition to employment:

*I think technology is one of the most important things right now. Business Programmes should teach SAP [ICT Accounting Programme]. It was not taught on my course. (Austrian Graduate)*

*... you don't get taught enough about how to put together the formal documentation you have in employment. Big reports and the such like (UK Graduate)*

Throughout the research the need for business graduates to be able to apply theoretical and conceptual knowledge to their 'real life' business situation was evident. However, other less tangible business related skills were also recognized as being key for graduates in making a successful transition to employment.



- **Soft Skills:**

In many respects the most important generic competency required by the graduates was the acquisition of high levels of written communication skills:

*I gained considerable writing skills at university. How to write in different styles.... I use these skills a lot in my employment (Austrian graduate)*

*I learned how to write in a very accurate and detailed style. This is important when it comes to [my job]... (Slovenian Graduate)*

Whilst the majority of the graduates felt their education had equipped them with transferable written skills, this was not the case when discussing oral presentation skills. Indeed, one of the significant issues to emerge out of the study related to graduate perceptions of gaps in the teaching and learning of the relevant skills needed to make oral presentations in the work environment:

*At University I learned how to do presentations whilst I was going along, but I feel I could have done with some sort of formal training on how to do presentations... (Slovenian Graduate)*

*My presentation skills improved a little as I progressed through the course until I got to the stage where I used to dread it but managed. I could have done with some sort of training in presenting though... (Romanian Graduate)*

Although many of the graduates felt that their education had not provided them with the necessary level of oral communication skills required in the work environment, many described how their experiences of working in groups whilst in education had provided them with vital interpersonal skills:

*On my course we did a lot of teamwork training. In my job I needed to do some teambuilding... From my educational experiences I realised I needed to be a team player...*

(UK Graduate)

Such teamworking skills were identified as being a vital part of the graduate portfolio by employers:

*It's important that graduates are able to work as part of a team... (Slovenian Employer)*

*Graduates need to be able to work together within a team... (Austrian Employer)*

For many of the graduates, the soft skills acquired in Higher Education complimented the core business skills and knowledge they had been taught. Their ability to apply successfully such skills to the work environment reflected their whole university experience.

#### **- Work Experience:**

Work experience gained during work-based learning programmes such as formal placements and internships represented a significant aspect of many of the graduates' experiences. Such work based learning was highly valued by employers:

*The placement year is a real winner... The students who've had real experiences of the work environment come out on top in the employment stakes.*

(UK Employer)

*We took on a graduate who had undertaken a formal internship... This individual had specific skills in venture capital and finance acquired during his internship...*

(Austrian Employer)

From the graduates' perspectives work-based learning afforded multiple benefits and provided a valuable learning opportunity during which they could apply the theoretical skills learnt in the classroom to a 'real-life' business environment:

*The placement gave me the chance to use everything I learned at university and to apply it in a practical way...*  
(UK Graduate)

*My internship was very relevant to my course. I used the knowledge I gained in education to develop two handbooks whilst I was on internship.* (Slovenian Graduate)

Those graduates who had undertaken a period of work-based learning described how such experiences had improved their employment prospects:

*I did my placement at a large international company... I think it was the fact that I'd done a placement that got me my job...* (UK Graduate)

*I did an internship at an international bank in New York. It was a great experience [ ] really useful when applying for work...*  
(Austrian Graduate)

Whilst work-based learning programmes were highly valued by graduates and employers alike, it was recognised by employers that many graduates do not have the opportunity to take part in such formal training and that work-based learning is not the only source of 'real-life' employment experienced by students many of whom need to work part-time during their education to subsidise their income. The value of such part-time employment was acknowledged by employers:

*Any kind of work experience is appreciated, even more than a good degree in some cases...* (UK Employer)

