Employability of Business Graduates in the Province of Pampanga

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Abstract:

The main objective of the study was to look into the perception of business graduate employees and employers on specific employability skills needed by business graduates to possess aimed at narrowing the skills gap which would help lower the 11.6 percent unemployment rate for the province of Pampanga. The study employed the descriptive research method in assessing how the employed business graduate described the amount of Employability Skills Based Work Performance Prediction (ESWPP) they needed in performing their job which was validated with the employers’ assessment of the level of importance of the same employability skills when they hired business graduates (Rahmat, Ayub & Buntat, 2014). The study specifically aimed to address the following concerns: (1) how respondents assess the importance of the employability skills of business graduates in the workplace; and (2) significant differences in the graduate and employer respondents’ assessment of the level of importance of the employability skills. A total of four hundred fifty one (451) graduate respondents and one hundred eighty (180) employer respondents were chosen using the snowballing method. Results showed the respondents’ level of agreement on the most important dimensions of effective listening skills and continuously learning skills; and the least important dimensions of effective writing strategy and managing own learning; also, graduates and employers do not agree on a dimension of organizational skills. It seemed that
Continuous monitoring the success of a project or identify ways to improve was deemed important to graduates but was considered the least important to employers. The following are recommended: include measuring the listening skills of incoming freshmen; undertake faculty development covering teaching methodology; using freeware in teaching students; and introduce a culture of honesty and continuous improvement.

**Key words:** employability skills, communication skills, personal qualities, teamwork skills, critical thinking skills, technology skills, organizational skills, continuously learning skills

### I. INTRODUCTION

The problem of unemployment is a world-wide reality. Developed countries as well as the developing countries suffer from it. With the passage of time it has become worse especially after the recent global economic crisis.

Global unemployment in 2015 was around 197 million and the projections are for a further increase by more than 3 million people over the next two years. Since 2007, more than 76 million jobs have been lost and this jobs gap is set to widen further mainly due to a continuous decline in the labour force in developed countries and rising unemployment in emerging economies (World Employment and Social Outlook: Trends 2016).

The ILO in its report in 2015, predicted that the overall unemployment rates will decline gradually in developed countries while at the same time many countries are projected to experience a substantial increase in youth unemployment. Worldwide unemployment is predicted to rise among 15 to 24 years old by 13%, or 74 million youths (Butler, 2015).

In advanced countries, the rate of unemployment is low, while in the less developing countries, the rate of unemployment is very high. Disguised unemployment which
exists where part of the labor force is either left without work or is working in a redundant manner and where worker productivity is essentially zero is also found to be high in these countries. Some of the identified causes of unemployment in these countries are shortage of capital, overpopulation, seasonal production, insufficient demand, lack of skills, and poor performance of the agricultural sector (Posted & Saab, 2013).

Despite rapid economic growth in the Philippines in recent years, unemployment remains a persistent problem for the sprawling Southeast Asian nation of more than 100 million people (Salvosa, 2015).

Under President Benigno Aquino who was in office since 2010, unemployment has fallen. The latest figures show the rate at 6.4 per cent in the second quarter of this year, down from 7 per cent a year earlier. But progress has been uneven and the Philippines still has one of the highest rates of unemployment in the ASEAN region.

Philippine unemployment rate stood at 6.1 percent in April of 2016, down from 6.4 percent a year earlier but up from 5.8 percent reported in January 2016. Unemployment rate in the Philippines averaged 8.72 percent from 1994 until 2016, reaching an all-time high of 13.90 percent in the first quarter of 2000 and a record low of 5.70 percent in the fourth quarter of 2015 (Husna, 2016).

In April 2016, there were 2,594 thousand unemployed persons. Among the unemployed persons, 63.2 percent were males. The age group 15 to 24 years comprised 50.1 percent, while the age group 25 to 34 was at 28.3 percent (Trading Economics).

In Pampanga, the annual employment rate was estimated at 88.4% and the annual unemployment rate at 11.6% based from the preliminary results of the quarterly Labor Force Survey (LFS) of the NSO for 2013. Labor Force Participation Rate is 58.97% based on an estimated 1,164,103 population of 15 years old and over. The total of employed
persons for the same year was approximately 1,135,891. Employed persons include all those who, during the reference period are 15 years and over and are reported either at work or with a job but not at work (Province of Pampanga Provincial Development and Physical Framework Plan 2014-2020).

This section of the thesis includes a review of the area being researched, current information surrounding the issue, previous studies on the issue, and relevant history on the issue to prove the relevance of the thesis question and to further develop the study.

Unemployment in the Philippines is attributed to a number of reasons such as:

i. Job creation has struggled to keep pace with an ever expanding population. In the past five years, the number of people entering the labor market continued to escalate. With an increasing population, it would only lead to more people looking for jobs. In this situation the demand for work will be more than the available occupations. An unemployment situation will result because of the demand-supply gap in the labor market.

ii. Rapid global technological change plays a major role in the rise of the unemployment problem in the Philippines. The new advanced technology replaced the low-skilled or unskilled workers in different factories and at the same time required workers to have higher levels of skills (Ali, M., 2014).

iii. Paradoxically, the low labor force participation rate in the Philippines can also be explained by the high value set on further education. Young Filipinos typically spend some time in college before entering the labour market. Consequently, participation in the labour force remains relatively low. Only about 65 per cent of the population aged 15 and above is looking for work, one of the lowest levels in the region. This compares with 78
per cent in Vietnam, 72 per cent in Thailand and 68 per cent in Indonesia. (OFW, 2009). Unemployment can happen due to rising cost which makes it hard for the companies to pay the usual optimum salary for the employees or even the minimum wage in some cases. Moreover, sometimes companies need to cut down the budget so the number of employees are reduced or some positions are cancelled which increases the unemployment rates.

iv. Lack of education or skills for employment cause unemployment when the qualifications of a person are not sufficient to meet his job responsibilities. If the education was not directed towards the labor market then a mismatch occurs leading to structural unemployment. These individuals face difficulties in learning new skills applicable for the required job e.g. computer skills, management and communication (Hagedorn, et al., 2013). Jobless and fresh graduates are unable to seize jobs because of lack of related skills and experience making them unable to take careers that are available in the labor market (Brooks, 2002).

According to Nidha (2009), structural unemployment, is the type of unemployment, associated with the mismatch of jobs and workers due to the lack of skills or simply the wrong area desired for work. It is also known as skills gap. Structural unemployment- a longer-lasting form of unemployment- depends on the social needs of the economy and dynamic changes in the economy.

According to Vallas (2016), structural unemployment occurs for a number of reasons – workers may lack the requisite job skills, or they may live far from regions where jobs are available but are unable to move there. Or they may simply be unwilling to work because existing wage levels are too low. So while jobs are available, there is a serious mismatch between
what companies need and what workers can offer. In April 2016, there were 2,594 thousand unemployed persons. Among the unemployed, 23.1% were college graduates, 13.1% were college undergraduates, and 42.6% were high school graduates. Data show that the percentage of unemployed college graduates was greater than the college undergraduates (Husna, 2016).

McCarthy (2015) studied the countries having the most unemployed graduates. He found out that Greece has the highest rate at 19.4% and Spain at 14.9%. Based on this information, the Philippines has a much higher rate at 23.1%. According to a PMAP survey (2010), around 400,000 students graduate every year and 4 out of 10 fresh graduates and young jobseekers were not hired because they lack “soft” competencies – critical thinking, initiative, and effective communication skills. Though many applicants were book smart, they appeared ill-prepared for the challenges of the workplace. They join the ranks of the more than 2.7 million unemployed people in the Philippines, 605,000 of which have graduated from college and 51% or 308,550 are 15-24 years old (Philippine Statistics Authority, July 2015).

Obviously, majority of the unemployed were high school graduates and college graduates. This calls for an urgent need to improve the employability of work applicants, particularly those with secondary and tertiary education in order to address the unemployment and underemployment problem. Immediate steps to address require a better coordination and collaboration among key stakeholders – government, firms and establishments, and academe.

Pettinger (2008) claimed that some solutions to solve the structural unemployment maintained by interventionist supply side policy are education; retraining programs, and apprenticeships programs. In addition a strategy to improve youth employment entails substantial reforms to improve quality of basic education (primary and secondary), health and nutrition.
Producing graduates equipped for their future is a key part of higher education. Although student’s experience of higher education cannot guarantee a “graduate level job”, the nature of that experience influences the chances of success. York (n.d.) argues that employers target universities where they have successfully recruited in the past and where they recognize that courses are continuing to develop and innovate to produce graduates with knowledge, skills, and attributes relevant to their needs.

Researches demonstrated differing perspectives among graduates, universities and employers regarding employability skills. Universities considered their students to be well prepared for the transition to the workplace. Unfortunately, the employers concluded that new graduates lacked vital skills for employment, citing unrealistic expectations and demands for higher salaries as examples.

A study by Valenzuela and Mendoza (2012) revealed that such incongruent perspectives must be addressed for effective solutions to enhance the employability of graduates. Several suggestions have been made to reduce the gaps.

Apparently, an inclusion of the employers’ dimension into the analysis of the importance of employability skills will produce significant explanation to this issue as they are the closest and most direct evaluators to the graduates’ performance. They are definitely in the right position to comment on the types of skills most needed in different fields of employment. This is equally important to industry because employers are the direct beneficiaries of the skills utilization process. Ultimately, they become victims of the negative consequences of skills gap arising from unproductive employees.

With all these concerns about skills gap, this study primarily seeks to compare the perceptions of employees with employers on the skills needed to make new graduates more employable. To achieve the said objective, this study will
specifically determine the congruence between perceptions on employability skills of employed business graduates deemed important in performing their job and the perception of employers on employability skills deemed important when hiring business graduates. Said skills would then be used by the HEIs to determine whether their new graduates would meet the demands of the real business world.

The theoretical framework employed in this study is a result of a research undertaken by Normala Rahmat, Abdul Rahman Ayub, Yahya Buntat entitled, Employability Skills Based Work Performance Prediction (ESWPP). The research was undertaken to explore and formulate the constructs and dimensions of employability that could predict job performance starting from relevant document analysis and expert interviews. An intensive review was conducted on the different frameworks from different sources such as: The Conference Board of Canada (2000), SCAN (2001) and European Union (Desi, 2002), Australian Government Department of Education Employment and Workplace Relations (2008), Stemnet (2013). Similarly, Experts from different institutions reviewed 31 dimensions categorized in 7 constructs contained in the framework. Their level of agreement was calculated at 0.989 interpreted as almost perfect. The framework proposes the following employability constructs (Rahmat, et.al., 2014).

- Communication skills – The ability to explain what you mean in a clear and concise way through written and spoken means. It is the willingness to listen and relate to other people, and to act upon key information instructions (Hendry, 2013).

- Personal qualities – They are those concerned with how people manage and express themselves. They are revealed in those attitudes and behaviors people bring to their work, study and daily activities (Mansour and Dean, 2016).
Teamwork skills – The ability to work well with other people from different disciplines, backgrounds, and expertise to accomplish a task or goal (Hendry, 2013).

Critical thinking skills - The ability to think clearly and rationally, understanding the logical connection between ideas (Critical thinking, 2011).

Technology skills – The ability to select, apply and maintain tools and technologies (de Guzman and Choi, 2013).

Organizational skills - Being organized and methodical. The ability to plan work to meet deadlines and targets. Monitoring progress of work to ensure you are on track to meeting a deadline.

Continuously learning skills – The ability to apply strategies which support learning and the ability to adapt to change. (Manitoba, 2016).

These seven employability constructs were used by both respondents. The graduate respondents evaluated how important these skills were in performing their job while employer respondents evaluated how important these skills were in hiring business graduates. Comparing the responses of the respondents would identify gaps which would be beneficial in drawing up plans to improve the employability skills of business graduates.

**Conceptual Framework**

The conceptual framework provided a logical representation of the focus of the study. There were two groups of respondents whose perception on ESWPP employability skills were analysed: the perception of graduates which was measured by the ratings they assigned on the importance of skills needed in performing their job and the employers’ perception on the importance they attributed to skills in the workplace. The same employability skills were evaluated by the respondents. The
congruence of the results would determine the extent of skills needed by the graduates to perform competently in the workplace. Recommendations were formulated based on the similarity and dissimilarity of perceptions between the two groups designed to further improve the employability of graduates which can ultimately benefit the employers in terms of a better performing workforce.

Figure 1. Paradigm of the Study

Statement of the Problem
This study aimed to determine the employability of business graduates in the province of Pampanga.

Specifically, it sought to answer the following questions:
1. What is the profile of the respondents in terms of the following:
   1.1. Graduate Respondents
       1.1.1. Age
       1.1.2. Sex
1.1.3. Undergraduate business course taken
1.1.4. Year graduated
1.1.5. Nature of business of the company
1.1.6. Years of work experience
1.1.7. Status of employment
1.1.8. Nature of employment
1.1.9. Job position level
1.1.10. Job alignment to Academic Preparation

1.2. Employer Respondents

1.1.1. Nature of Business of the Company
1.1.2. Category of the Company
1.1.3. Managerial Position Level
1.1.4. Preference to Particular Schools

2. How do respondents assess the importance of the following employability skills of business graduates in the workplace when grouped by respondents?

1.1. Communication skills
1.2. Personal qualities
1.3. Teamwork skills
1.4. Critical Thinking and Problem Solving skills
1.5. Technology skills
1.6. Organizational skills
1.7. Continuously Learning skills

3. Is there a significant difference in the Graduate and Employer Respondents’ assessment of the level of employability skills?

4. How do the respondents assess the importance of the employability skills when grouped by respondents and by their profile variables?

1.1. Graduate Respondents

1.1.1. Age
1.1.2. Sex
1.1.3. Undergraduate business course taken
1.1.4. Year graduated
1.1.5. Nature of business of the company
1.1.6. Years of work experience
1.1.7. Status of employment
1.1.8. Nature of employment
1.1.9. Job position level
1.1.10. Job alignment to Academic Preparation

1.2. Employer Respondents
Nature of Business of the Company
Category of the Company
Managerial Position Level
Preference to Particular Schools

5. Is there a significant difference in the Respondent’s assessment of the level of importance of employability skills when they are grouped by profile?
   Graduate Respondents
   Employer Respondents

6. What courses of action can be recommended to improve the employability of business graduates of Higher Education Institutions in the province of Pampanga?

Hypotheses of the Study
The following hypotheses were tested at 0.05 margin of error:
1: There is no significant difference in the graduate respondents’ assessment of the level of importance of employability skills as business graduates when they are grouped by profile.
2: There is no significant difference in the employer respondents’ assessment of the level of importance of employability skills by business graduates when they are grouped by profile.
3: There is no significant difference in the perception of graduates and employers towards employability skills of business graduates.
II. REVIEW RELATED LITERATURE

Students enter college with the expectation that they will acquire the knowledge, the skills, and the abilities to enter the workforce. Graduates expect that they will have acquired the skills necessary to perform their jobs and advance their careers. In the modern knowledge economy, employers have an expectation that a college education will provide graduates with the employability skills required to perform their jobs (Bok, 2006).

For many Filipinos, education is regarded as an investment that affords them a way out of poverty. It is seen as the key to improving the quality of life, the primary means for social and economic elevation. Parents spend their scarce resources to have their children educated, hoping that a good education will lead to attractive jobs for them. Thus, it is not surprising that it is a common practice that graduation is usually a time of celebration, with lavish parties and huge banquets hosted by proud families. But the national atmosphere is muted.

With graduate unemployment in the Philippines reaching alarming levels, the outlook is poor for the latest crop of around 700,000 students expected to graduate this month according to trade union statistics (Cohn, 2014).

Cohn (2014) declares that it is common with other countries in Asia, a mismatch between graduate skills and those in demand among employers is a factor behind the high unemployment rate, according to the Department of Labor. Recruitment companies have been complaining about an oversupply of graduates in several fields. This is the lament of human resources officials who decry the continuing popularity of glamorous and white-collar courses that produce diplomas but not well-paying jobs.
One of the findings of the World Economic Forum (2014), revealed that the mismatch between the kind of graduates tertiary institutions produce and available jobs can be severe. This is a crucial situation which requires that the skills taught at school are relevant for the working world; that they are maintained and further improved during working life; and that they are recognized and used by employers once people are in the labor market. Matching skills and jobs has become a high-priority to ensure the employability of college graduates.

An intensive study conducted by UNESCO regarding the graduate employability in Asia, revealed that graduate unemployment in the Philippines can be attributed to a structural or skills mismatch. This mismatch occurs because the jobseekers, in general, are not seen by employers as having the necessary skills for employment (McQuaid, 2006). One area of this mismatch lies in the inadequacy of the general skills and knowledge among new entrants to the labor force. These new graduates are perceived to lack the requisite level and quality of communication, technical and job-specific skills needed in the workplace. This study confirms that employability, graduate employability in particular, is a function of a range of individual characteristics. Individual-level supply-side factors often associated with labor market outcomes are shown to be important. Some of these employability attributes cited in this study include key transferable skills such as adaptability, intellectual skills, teamwork and basic interpersonal skills and their usefulness to the graduates in their jobs. The employed respondents who mentioned the relevance of their courses to their jobs underscored the importance of academic qualifications and job-specific skills to be successful in their jobs (UNESCO, 2012).

Employers nowadays are concerned about finding good employees not only with technical skills but they are also looking for employees with high competitiveness and ability to adjust with rapid changes in the industry.
According to Schreuder & Coetzee (2011:48) employability refers to an individual’s capacity and willingness to become and remain attractive in the labor market, also the individual’s capability to be successful in a wide range of jobs.

Knight and Yorke (2003) assert that the current concept of employability has been defined as: “A set of achievements – skills, understandings and personal attributes – that make graduates more likely to gain employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and the economy.”

In spite of widespread assumptions that employability is a concept of the current period, scholars of employability note that the notion did not simply emerge as a way of explaining necessary responses to a radically changed economic and public policy environment since 1990. It is conventionally dated back to 1909 and early work of one of the architects of the British welfare state, William Beveridge in his book: Unemployment: A Problem of Industry (1909)(McGrath, 2009).

Gazier (1998), one of the leading theorists of employability, argues that the concept has gone through seven stages:

1. Dichotomic employability – This approach emerged at the beginning of the 20\textsuperscript{th} century in Britain and America. It made a distinction between those that are/can be employed and those that cannot be. In important regards, it is a reformulation of the long-standing Anglo-Saxon dichotomy between the “deserving poor” (hard working and morally upright individuals who have fallen on hard times due to misfortune – e.g., illness or widowhood) and the “undeserving” poor (those who are lazy and morally degenerate). The former deserve charity; the latter must be reformed (McGrath, S., 2009).

2. Socio-medical employability - This theme emerged around the time of World War Two in the USA, Britain and Germany in particular. It focused particularly on
the social, physical or mental deficits of individuals that made them unfit for employment (McQuaid & Lindsay, 2005).

3. Manpower policy employability - This account developed mainly in the USA in the 1960s, and extended the deficit approach of the socio-medical model to other societal groups. Again, the focus was on the gap between their knowledge, skills and attitudes and those required by the labor market. (McQuaid & Lindsay, 2005).

4. Flow employability - This is a primarily French account which emerged in the 1960s. It was radically different from the earlier approaches in focusing primarily on the demand side and the accessibility of employment within local and national economies, with employability defined as "the objective expectation, or more or less high probability, that a person looking for a job can have of finding one" (Ledrut 1966, quoted in Gazier 1998: 44).

5. Labour market performance employability - This emerged internationally towards the end of the 1970s. This concept focuses on the measurable labor market outcomes that result from specific policy interventions. These measures typically include period employed, hours worked and wage rates. (Mason, et.al., 2009).

6. Initiative employability - According to Fallows and Steven (2000), this account coalesced in the late 1980s in the North American and European human resource development literature, which was starting to discuss the notion of the end of the “salary-man” who worked for the same large corporation (or state bureaucracy) from leaving school until retirement. With the purported end of “a job for life”, this account argued that successful career development now required the development of skills and attitudes that could make workers both succeed in their current jobs and be able and motivated
to get a better job in another organization. The stress here is firmly on the individual’s initiative and agency.

7. Interactive employability - Following on swiftly from this account, emerged the notion of interactive employability. Whilst accepting the importance of individual agency, this account sought to balance this with a development of some of the insights of the French flow employability school regarding structural factors. Thus, it was argued that the employability of the individual is partly relative to the employability of others in the labor market, both as competitors but also in the sense that high levels of dispersed employability might attract new employment opportunities to an area. The state of demand locally and nationally is also considered, as are the rules and institutions that govern the labor market, reflecting the rise of institutional economics at this period. Thus, this account implicates employers and policymakers in the employability challenge alongside individuals. (McQuaid and Lindsay, 2005).

These accounts should not be seen simply as marking an evolution to a current orthodoxy, rather elements of all can be seen as present in popular, practical and policy debates.

Dow and Mealey, (2014) clarify that employability is not just about getting a job. It is more than about developing attributes, techniques or experience just to enable a student to get a job, or to progress within a current career. It is about learning and the emphasis is on developing critical, reflective abilities, with a view to empowering and enhancing the learner.

There are a number of theories that explain the existence of employability.

Consensus theory - It places emphasis on what social groups have in common, often relating to what the social norms or cultural shared beliefs (Brown, et.al., 2003). It is based on the belief that human capital injection by way
of instilling generic skills at tertiary level will ensure employability of graduates and their eventual fast acceleration/leap frog in the corporate ladder. Consensus theory tends to blame the academia or university environment for not instilling sufficient skills through curriculum design and implementation through appropriate pedagogical methods.

Conflict theory – It emphasizes the fact that different groups, namely employer, academia, employees, have varying access to power and opportunities (Brown, et.al. 2003). There has been a continuous debate in terms of the employer’s role in imparting generic skills and employees not acquiring adequate skills through training offered by employers. There is also the employer-academia conflict where the employers feel that the academia have not been providing adequate acquisition of generic skills to the graduates. The Conflict Theory argues for the employers to take responsibility in providing work place experience to the graduates and not directing the responsibilities to the universities alone.

Human Capital theory - This theory argues that education increases an individuals’ productivity, which consequently enhances job performance. As such, education provides marketable skills and abilities relevant to job performance, and thus the more highly educated people are, the more successful they will be in labor markets in terms of both incomes and work opportunities. This theory does not lean much towards the acquisition of generic skills to succeed in the workplace. It focuses more on the educational knowledge acquired through higher education to be successful at work (Berntson, Sverke, and Marklund (2006).
Paadi (2014) defined graduate employability as the ability of graduates to secure a job in the labor market in the specific sector or industry of what they have studied in tertiary education and be able to apply that knowledge successfully in the workplace. This would require some mentoring through work integrated learning programs like internships to give the graduates exposure to the real work place environment. They should be competent in their technical skills required to do the job and also have good generic skills that will enable them to communicate, work in a team and relate properly with other people in the workplace. The study revealed that employers want graduates who are teachable and creative, people who can solve problems and adapt to the changing business world. They want people who can be turned into gold in no time and this requires the right attitude from graduates and willingness to learn (Paadi, K., 2014).

Employability skill refers to work readiness that is possession of the attributes, skills and knowledge that the graduate should possess to obtain a job; also to ensure that they have the capability of being effective in the workplace; could also assist to adjust themselves towards various changes suited with the working environmental needs and could eventually enhance careers through the acquisition of those skills (Normala and Yahya, 2014).

Recent shifts in education and labor market policy have resulted in universities being placed under increasing pressure to produce employable graduates. However, contention exists regarding exactly what constitutes employability and which graduate attributes are required to foster employability in tertiary students (Bridgstock, 2009).

There are two sets of skills that hiring managers use to gauge an applicant’s qualifications: hard skills and soft skills. While these two skill sets are both important, they are completely different.
A hard skill is one that can be easily measured or quantified. They are often learned on the job or through education and training. Hard skills are especially important in knowledge-based fields, such as law, medicine, engineering, and technical. A hard skill for a web developer, for example, would include working knowledge of web-specific programming languages, such as PHP or Twig (Hu, 2016).

Robles (2012) describes soft skills as character traits that enhance a person’s interactions, job performance, and career prospects. The greatest feature of soft skills is that they are intangible and are not discipline specific. That is, the application of these skills is not limited to one’s profession. Soft skills are continually developed through practical application during one’s approach toward everyday life and the workplace. Teachable graduates develop their soft skills quicker.

Soft skills are more subjective. They include patience, problem-solving, and communication. These skills are more difficult for an employer or professor to teach, and are harder to measure.

Robles (2012) added that corporate recruiters want candidates with soft skills who add value with their soft skills, and also have the ability to make a difference in the workplace. Business employees need to communicate effectively, get along well with their co-workers, embrace teamwork, take initiative, have high work ethic, and portray professionalism. Robles (2012) identified the top 10 soft skills attributes deemed critical by business executives. Even though all of the soft skills appear very important, not all are perceived by business executives to be equally important. Additionally, the study found that communication, integrity, and courtesy are the most important interpersonal skills for success.

Soft skills are critical in today’s workplace and should be viewed as an investment. Even though interpersonal skills are critical for employers, many job applicants and current employees in business do not have adequate interpersonal
skills. Organizations need to train current employees to enhance their soft skill (Robles, 2012).

Many researchers reveal that individuals with good interpersonal and self-management abilities have better career success and contribute far more to their organizations rather than people with only excellent technical skills (Samta, J. & Syed, A.A. 2013:32).

It is evident from the findings of Paadi (2014) that graduate employability is not only about a graduate securing a place in the labor market but it is also about the student being able to apply that what they have learned and acquired from higher education. Soft or generic skills are the most sought after in the workplace but not ignoring the hard/technical skills as they are also necessary but most research has shown that soft/generic skills contribute more to job success and job satisfaction. Some of the most sought after skills or desirable graduate attributes in the workplace as per the findings of the study are team work, communication, analytic and critical thinking and computer skills. Most employers’ desire graduates who have developed their soft/generic skills through work integrated learning programs (Paadi, 2014).

A research conducted in Oman by Abduwani, (2013) regarding soft skills in the workplace confirmed the importance of soft skill orientation more in the case of banks than the oil companies. Also, soft skill orientation of the senior managers is at a higher level when compared to those of the junior managers.

A research undertaken by Ballon (2007) among graduates of Technological Institute of the Philippines resulted in the following findings:

Communication, human relations, and IT skills are the competencies useful to graduates in seeking employment after graduation.

Majority of the jobs of the graduates are relevant to the course.
That graduate-related factors and competencies learned in college, mode of job search and career-choice related factors are predictors of employability of the graduates.

One of the recommendations is to develop relevant and updated curriculum to meet the demands of the industry.

There are some Graduate Employability Models such as:
A. The USEM account of employability (Yorke and Knight, 2004) is probably the most well known and respected model in this field. This approach assumes that the qualities that would enable an undergraduate to successfully complete a degree would also equip them to be successful in their subsequent careers and take into the world of employment. It rests on four components from which the acronym is derived that are perceived to be critical for graduate employability. They are, as follows:
1. Understanding — Appropriate subject knowledge, apprehension and applicability
2. Skills — Subject-specific and generic abilities
3. Efficacy beliefs — Awareness and understanding of one’s self and one’s abilities
4. Metacognition – The ability to reflect on and regulate one’s own learning and behavior.

Having knowledge and understanding skills is critical. One should always understand the context of the environment that they are in and have the technical knowledge. While having the generic skills will definitely compliment the technical skills, emotional intelligence is also a very essential part of these components. Efficacy plays a big role in graduate employability. Understanding how far one can go in terms of the skills that they have and how to use them to be successful is very important. Hence, self-confidence and self-esteem are part of these employability components (Paadi, 2014).
B. The DOTS Employability Model was developed by Professor A.G. Watts, an international policy consultant on career guidance and career development and founding Fellow and Life President of the National Institute for Careers Education and Counseling (UK) (Sewell & Pool, 2007). The framework represents career development learning outcomes. The DOTS theoretical framework states that there are four components fundamental to career education. These are the following:

*Self-awareness* - this is the help that is given to students to develop their own sense of themselves as unique individuals with personal characteristics which in some respects are like other people’s but in other respects are not. It addresses the question “what kind of personality it is that I take with me to implement in the world of opportunities that exist for me?”

*Opportunity awareness* – this is the help which is given to students to experience and gain some understanding of the general structure of the working world they are going to enter:

i. The range of opportunities which exist within it;

ii. The demands that different parts of it may make upon them, and;

iii. The rewards and satisfactions that these different parts can offer.

*Decision-making* – it is the help that is offered to students to understand the variety of ways in which decisions can be made;

*Transition learning* – it is helping students to gain the awareness and skills they need to cope with transitions as a result of growing up, upon the particular decisions they make. (Sumanasiri, Ab Yajid, & Khatibi, A. 2015).

The value of this model lies in its simplicity, as it allow individuals to organize a great deal of the complexity of career development learning into a manageable framework. However,
McCash (2006) argues that the model is over-reliant on a mechanistic matching of person and environment, and therefore underplays other critical issues such as social and political contexts.

C. Career Edge Model of Employability (Taylor, 2016) is also known as UClan Career EDGE model. It is a practical model of graduate employability developed by Lorraine Dacre Pool and Peter Sewell from the Center for Employability, University of Central Lancaster, Preston, UK. It can be used as a clear and useable framework that clarifies the elements that need to be addressed to ensure that graduates secure occupation in which they can be both satisfied and successful. It is made up of five critical elements, namely:

1. Career development learning — This covers the DOTS elements.
2. Experience — Reflecting the fact that having some form of work or life experience is likely to help a graduate develop a wider range of skills and make them more attractive to prospective employers.
3. Degree subject knowledge, understanding and skills — A similar element to Understanding in USEM.
4. Generic skills — Again, this is similar to the Skills element in USEM.
5. Emotional intelligence — “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships” (Taylor, 2016).

D. Heuristic model of employability. Fugate et al. (2004) argued that in order to deal effectively with the career-related changes occurring in today’s economy, employability must represent a form of work-specific (pro) active adaptability. He asserted that in the context of careers and work, employability embodies a synergistic combination of the following elements:
1. Personal adaptability— The theme of development is continued here. To stay employable an individual must be willing and able to transform themselves in response to changes in their environment. This could include the willingness to learn new skills, to adapt one’s job hunting strategy to prevailing job market conditions, or even to reconsider one’s goals in the face of barriers.

2. Social and human capital — This element incorporates the impact of an individual’s social background and access to supportive networks. It also encompasses one’s ability to successfully develop and utilize working relationships through factors such as emotional intelligence. In addition, the human capital element covers the various useful skills and knowledge that an individual has obtained from their experience and education (Fugate, et. al., 2004).

Career identity includes the components of self-awareness and career decision making from the DOTS, but goes much further. It relates to an individual’s ability to reflect on their past experiences in order to determine who they are and who they want to be. This inclusion of past, present and future identity formation includes some aspects of the learning and development approach of USEM.

E. Blip Global Employability Skills Model. This model was introduced in 2012 with the aim of creating unique solutions for global recruitment and education sectors. It is a global model developed by Sally-Ann Lauder. It is designed to measure employability skills at a global level. The purpose of this Model is to provide a theoretical basis to develop a robust measurement tool for all job seekers. Therefore the model was limited to the skills, knowledge and attributes of employability rather than include the other aspects of employability. Employability skills in this model are a set of attributes, skills
Employability of Business Graduates in the Province of Pampanga

and knowledge all participants in the labor market should possess to gain employment in their chosen occupation and to be effective and successful in the workplace. (Lauder, 2013). It is the result of an intensive review of international literature on employability skills. It constitutes 5 clusters of skills, namely:

- **Personal attributes** – are the characteristics and personal qualities that an individual possesses. These are highly valued by employers with some arguing they are more important than work skills.

- **Working with others** - are the skills required to communicate, interact and collaborate with individuals and groups.

- **Achieving at work** - are the range of skills required for an individual to perform work tasks and achieve overall success in a role.

- **Future skills** - relates to skills and knowledge relevant to workplaces of the future.

- **Learning skills** – are those skills needed to be successful and keep up with the shifting landscape of work settings and job roles, individuals need to constantly review and update their skills.

Graduate unemployment in the Philippines has largely been attributed to a structural or skills mismatch or skills gap. ASTD (Association for Talent Development) defines skills gap as a significant gap between an organization’s current capabilities and the skills it needs to achieve its goals.

This mismatch occurs because the jobseekers, in general, are not seen by employers as having the necessary skills for employment (McQuaid, 2006). One area of this mismatch lies in the inadequacy of the general skills and knowledge among new entrants to the labor force. These new graduates are perceived to lack the requisite level and quality of communication, technical and job-specific skills needed in the workplace.

Another mismatch can be found in the disparity between the
type of graduates or trainees produced and the type of jobs available.

It also showed a mismatch of perceptions between the assessments of the graduates about their own employability versus the assessment of the employers. Graduates from the graduate respondents tended to rate themselves highly with regard to their employability attributes. They appraised the training they received from their HEIs positively. This, however, did not coincide with the assessments from the employers. (Luang and Malakul, 2010).

Atfield and Purcell (2010) contend that this can also be manifested when a disparity exists between students’ self-evaluations of their skills and employment-readiness and employers’ reported opinions about the skills and employability of recently-qualified new graduates. Studies showed that graduates’ confidence in the skills they possess was not matched by similar confidence that they would find the kind of employment they would like, at least in the immediate future.

Similarly, a research conducted by Belen (2000) revealed that gaps existed between employers and students expectation on the employability skills. The gaps appeared to arise from lack of understanding. These findings have provided preliminary information necessary to begin closing the gaps. It is concluded that personal qualities and skills are significantly important to both employers and students than basic and general employment skills.

Di Gropello, et.al, (2010) claimed in a report to the World Bank that the continued international competitiveness of the Philippines rests on the continuing supply of high quality graduates who have the knowledge and capabilities that businesses need. This will require closer partnership between universities and businesses so as demand to be more informed and supply to be better geared to the needs of the high-value adding sectors of the economy which will secure our future prosperity.
Unfortunately, despite a large pool of unemployed workers, employers continue to struggle to find skilled talent to fill the growing number of job openings in the country. It went to a point at which an organization can no longer grow or remain competitive because it cannot fill critical jobs with employees who have the right knowledge, skills, and abilities. It is not just individual organizations or sectors that are feeling the consequences of the skills gap. Communities, states, regions, and entire nations pay a heavy price when they cannot find or equip workers with the right skills for critical jobs (Atfield and Purcell, 2010).

In a report by Di Gropello, et.al, (2010) to the World Bank regarding the enhancement of the preparedness of the graduates for the labor market in the Philippines, some of the recommendations are:

- Improve university facilities. A comprehensive survey could be undertaken by the government to identify which HEIs are in need of facility upgrades. This survey could form the basis of a long-term investment plan to improve academic life. Long-term financing for these activities needs to be made available.
- Improve pre-college preparation to improve tertiary outcomes. The Philippines could consider expanding the current 10-year basic education system to the more internationally-accepted 12-year system, as Mongolia has recently done. International evidence has shown that better prepared students perform significantly better at the tertiary level.

While there are numerous examples of employers and HEIs working to promote graduate employability in the literature and in our research, there are still issues and barriers between employers and many of those responsible for HEI policy, particularly in terms of differences in mindset, expectations
Synthesis of the Reviewed Literature and Studies

Students place an exceptional value on education because of their belief that it is a productive investment that they can rely on for a successful future. However, more and more college graduates fail to get a job aligned to their field of specialization or worse; do not get jobs at all. Graduate employability is a growing global problem. This is the reason why more and more researchers from local and international reputable organizations undertake several studies to be able to diagnose the problem and find effective solutions.

The history of employability has been traced to understand its progress through the years. Employability theories/frameworks are continuously formulated by experts to determine what skills are required by employers in the labor market to ensure employability of graduates.

Skill gap as evidenced by local and foreign studies is a significant factor which aggravates the unemployment situation in the Philippines. Extensive and intensive measures, such as the K-12 program, are being implemented by the Philippine government, the industry, CHED and DepEd to minimize if not totally eradicate the mismatch between the demand for skills by industry and the skills of employees supplied by HEIs.

This research, therefore, seeks to expand the dimension of studies previously carried out regarding the assessment of employability skills in the Philippines. It explores the dimensions from the perspective of business graduates as well as those of employers. More specifically, this paper attempts to
investigate if the employability skills important to business graduates in performing their job are the same skills deemed important by employers when hiring business graduates.

Since this study would pinpoint specific skills which are important for business graduates to possess, Institutions offering DBA programs could then focus on enhancing those particular skills deemed important in the management profession.

III. RESEARCH METHODS

The study employed the descriptive research method in assessing how the employed business graduate described the amount of Employability Skills Based Work Performance Prediction (ESWPP) they needed in order for them to perform their job was validated with the employers assessment of the level of importance of such employability skills when they hired business graduates.

The data were gathered from two samples, employed business graduates and employers, using two survey questionnaires. A skills inventory was used to determine the perceptions on the relative importance of the different employability skills in the performance of the graduate’s job and in assessing job applicants by employers. Both instruments were parallel in form and content.

The profile of graduate respondents formed the first part of the questionnaire which included age, sex, school graduated from, undergraduate business course taken, year graduated, name of company currently employed, nature of business of the company currently employed with, years of work experience, status of employment, nature of employment, job position level, and job alignment to academic preparation/undergraduate course, while that of employers included nature of business of the company, category, position of company respondent and preference to particular schools. The second part of the
questionnaire comprised the seven employability skills constructs developed by Rahmat, Ayub, Buntat (2015) which were communication skills, personal qualities, teamwork skills, critical thinking and problem solving skills, technological skills, organizational skills and continuously learning skills.

The data were subjected to statistical treatment. The frequency and percentage were used specifically in dealing with nominal data generated by the profile of graduates and employers. The weighted arithmetic mean was used to calculate the level of importance of employability skills as perceived by employed business graduates in performing their job and by employers when assessing job applicants. The T-test, P-value and Anova were used to determine the difference between the perception of business graduates and employers on the importance of employability skills for business graduates to possess.

IV. RESULTS

The majority of the graduate respondents were female, belonging to the 18-23 years old age bracket, pursued either an accountancy or management undergraduate business course, graduated in SY 2011-2014, had less than 5 years of work experience, were regular employees, were direct hires, have worked in financial, insurance and real estate companies as rank and file and majority believed that their job was aligned to their academic preparation. On the other hand, most company respondents worked in private institutions such as hotels and restaurants, financial, insurance and real estate and other businesses such as BPOs, close to half of the company respondents were supervisors who came from other departments other than Human Resources and that only a few still gave hiring preferences to certain schools.

The graduates and employers shared exactly the same view on the importance of effective listening strategies and
enthusiasm for ongoing learning. Partial agreements were obtained on personal qualities, teamwork skills, critical thinking or problem solving skills and technology skills. Both viewed honesty/high integrity and work as part of the team as most important while, the application of creative, innovative and practical solutions and maintaining and trouble shooting technology were considered least important to them. But their views differed on organizational skills construct with continuously monitor the success of a project or task and identified ways to improve deemed most important to graduates but considered the least important to employers.

The study showed that there was no significant difference between the ratings of graduate and employer respondents on the importance of the employability skills constructs except for technology skills and continuously learning skills. Graduates gave a slightly higher rating as compared to the employers.

When grouped according to age, year graduated, nature of business of the company, years of work experience, status of employment, nature of employment sex, course, year graduated, nature of business, years of work experience, status of employment, and nature of employment, graduate respondents gave a verbal interpretation of “important” for some dimensions of communication skills, personal qualities, teamwork skills, critical thinking and problem solving skills, organizational skills and continuously learning skills constructs. Only the technology skills construct obtained a verbal interpretation of “important” for all its dimensions. These graduates were 30-35 and 36-41 years old, male, took up hospitality management course, who graduated in 1975-1980, 1996-2000, and 2001-2005, worked in government and had 11-15 and 16-20 years of work experience, worked in agriculture and mass media companies, self-employed, were casual employees, indirect hires, rank and file and whose job was aligned to their academic preparation. Employer respondents
on the other hand who gave no hiring preferences gave a verbal interpretation of “very important” to communication skills while government entities gave a verbal interpretation of “important” to personal qualities; Middle managers and those who gave hiring preference to particular schools gave a verbal interpretation of “very important” to team work skills while Health and Government or Public organisations gave a verbal interpretation of “important” to critical thinking and problem solving skills; Only those who gave hiring preferences to particular schools gave a verbal interpretation of “very important” to organizational skills; Both technology skills and continuously learning skills had the same ratings of “important” in public organisations such as health and finance businesses, supervisors and those who gave no hiring preference for particular schools.

The study showed that there was no significant difference among the ratings of graduates with communication skills whatever profile variable used. This meant that the ratings given by sex, age, or year graduated, relatively were the same or there was not much difference. On personal qualities, there was a significant difference with the ratings of graduates based on their sex. Female respondents gave a higher rating compared to their male counterpart. Ratings on teamwork skills differed based on age and job position level, with the highest weighted mean given by the 48 years old and above group and middle managers. The ratings given by business graduates on critical thinking and problem solving skills differed based on undergraduate business course taken. The accountants gave the highest weighted mean of 4.75 while the management graduates gave the lowest weighted mean of 4.56. There was a significant difference among the ratings of graduates on technology based on the year that they graduated. Technology skills was least important to those who graduated in 1975-1980. There was a significant difference among the ratings of graduates on organizational skills based on
undergraduate business course taken. Accountancy graduates gave the highest weighted mean of 4.66 while management graduates gave the lowest weighted mean of 4.51. And there was no significant difference among the ratings given by graduates on continuously learning skills based on age, sex, undergraduate business course taken, year graduated, years of work experience, status of employment, job position level and job alignment to academic preparation. The study showed that there was no significant difference in the graduate respondents’ assessment of the level of importance of employability skills when grouped according to sex, course, nature of business, years of work experience, status of employment, nature of employment, and job alignment. But there was a significant difference in the ratings of the graduate respondents’ on teamwork skills when grouped by age and job position level as well as on technology skills according to year graduated. The 48 years old and above group and middle managers had the highest rating on teamwork skills while those who graduated in SY 1991-1995 had the highest rating on technology skills. The study showed that based on communication skills, personal qualities, critical thinking and problem solving skills and technology skills, there was no significant difference in the ratings of employers when grouped according to nature of business, category of the company, managerial position level or preference to particular schools. But on the part of teamwork skills, organizational skills and continuously learning skills, there was a significant difference in the ratings given by category of the company. The ratings given by the private sector were much higher than the public sector. The main driving force behind this was profits.

V. CONCLUSIONS

Based on the findings, the following conclusions were derived as follows: graduates and employers shared exactly the same view
on the importance of effective listening strategies and enthusiasm for ongoing learning. Partial agreements were obtained on personal qualities, teamwork skills, critical thinking or problem solving skills and technology skills. Both viewed honesty/high integrity and work as part of the team as most important while, the application of creative, innovative and practical solutions and maintaining and trouble shooting technology were considered least important to them. But their views differed on organizational skills construct with continuously monitor the success of a project or task and identified ways to improve deemed most important to graduates but considered the least important to employers. Based on these conclusions, the following recommendations were offered: include measuring the listening skills of incoming freshmen; undertake faculty development covering teaching methodology; using freeware in teaching students; and introduce a culture of honesty and continuous improvement.

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