

## THE BUSINESS GRADUATE EMPLOYABILITY IN BANGLADESH: DILEMMA AND EXPECTED SKILLS BY CORPORATE WORLD

Kazi Khaled Shams Chisty  
*Department of Business Administration*  
*East West University*  
*Dhaka, Bangladesh*

and

Gazi Munir Uddin  
*Northern University*  
*Dhaka, Bangladesh*

and

Suntu Kumar Ghosh  
*BRAC Business School*  
*BRAC University*  
*Dhaka, Bangladesh*

### ABSTRACT

Unemployment scenario of the graduate level in Bangladesh has been a serious problem. Lately, graduates are more prone to acquire business education, which is more transferable to the job. Despite that, the business graduates are frustrated with the burden of education, as there are concurrent occurrences of joblessness. However, the prevalent dilemma of employability appears, as there are imbalances due to expected skills/qualifications by the ultimate employers. Analysis of this study tries to indicate this phenomenon by focusing of the skills/qualification (apart from degree, certificate, and diploma) that are considered as important for graduates' employability by the corporate bodies of Bangladesh. Continuous persuasion of immaculate academic results by the business graduates have been identified as less important, whereas more emphasis have been imparted on exposure to the corporate culture and analytical competence. Failure to meet those expected skills would aggravate the situations for graduates' employability.

**Key words:** Employability, Managerial skill, Effective, Business Graduate, Corporate culture

### I. INTRODUCTION

“Unemployment is involuntary idleness due to lack of work. Unemployed refers to persons belonging to the labor force, seeking but not doing any work during a specified period” (Banglapedia, Unemployment)

“An unbridled rise in joblessness is stocking up frustration among the youths, experts estimates at least one-third of the country's population is either unemployed or underemployed and their numbers are growing by the year at a breakneck pace, as there is but little opportunity for creating new jobs. Last year the country's population stood at about

13.81 core, of which 6.83 core constituted its labor force. Experts reckon some 2.72 core members of that force were either jobless or underemployed.

There was another great mass of 3.50 core economically inactive people comprised of students, retired and income recipients, beggars and the multitudes engaged in household work. The prevalence of joblessness among the educated youths has been on the rise fueling their frustration. And limited number of new jobs and poor standard of education is the main culprits”. (Mahmud)

Along with the poor standard of education, the structural imbalances that exist in the labor market

of Bangladesh also alleged to be the reason for graduates for becoming unemployed in Bangladesh. It is said that:

“The unemployment of graduate in Bangladesh can be explained by the simultaneous operation of forces acting from both the demand and supply sides and a less than perfect operation of the labor market for graduates” (Islam). Employability does appear to be an important factor affecting the demand for graduates; are in general unemployable.

Graduates with some specialization are clearly more employable than others and the rate of unemployment is distinctly lower for them. Thus a kind of structural imbalance does seem to exist in the labor market for graduates; “The education system is simply producing some types of graduates who are not needed by the labor market” (Islam). The problem is further aggravated by the type of expectations that is generated amongst the graduates by the content curricula, environment of the educational institutions, the incentive structure in the labor market and the whole system in general.

Despite the effort that the students and graduates have quite realistic perceptions about the employment prospects, they continue to aspire for certain kinds of jobs (white collar, and particularly, in the public sector). They look at these jobs primarily as a vehicle for achieving social prestige and upward mobility in a class differentiated society.

This leads them to crowd the educational institutions possibly with a hope that they will ultimately succeed in getting such a job. But the result actually is a mass production of graduates a large number of whom are not wanted by the labor market (Islam).

Pointing finger, raising voice, making allegation as such mentioned earlier against educational institutions for failing to develop quality graduate candidates for job market are not only happening in Bangladesh but also in other developed countries. “Universities could be more business-friendly, business was missing out on world class researchers and higher quality graduates because some universities lack customer focus. A good number of graduate recruits lacked business awareness and high level skills. Fourteen per cent

of firms said that courses are not sufficiently relevant to business. And the Government should encourage business and universities to work together to make sure that universities make the quality of graduates, particularly their business awareness, a priority” (Jones, D).

Recognizing the reality that in today’s world the role of educational institutions can not only be limited to impart knowledge, but also to contribute to maintaining a competitive economy and most important of all, to secure the dream of graduates (getting jobs, becoming socially recognized and successful) come true, some higher education institutions of the world (out side of Bangladesh) has already begun to identify particular skills and qualities that they wish their own graduates to develop. So they can become more successful in the job market.

“The Career Services in Dublin City University (DCU), Trinity College Dublin (TCD) and Waterford Institute of Technology (WIT) has taken over “An HEA-funded project”, named “Transferable Skills in Third-Level Modern Languages Curricula”. The aim of the project was to identify the transferable skills that are important for undergraduate students to develop during their time in third-level education and to design ways of improving their awareness and acquisition of the skills identified by integrating these skills into Undergraduate curricula. The main findings from this research were: During recruitment two very important factors are the applicants’ enthusiasm for the position and their personality. A range of transferable skills were also identified very important during recruitment. Oral communication, team work, customer service, time management, written communication and the ability to cope with multiple tasks are particularly valued transferable skills. Fluency in a second language was not generally considered an important transferable skill” (Curry, P., Sherry, R., and Tunney, O).

“Narendra C. Bhandari, Professor of Management at Pace University, New York, USA, conducted a research. The purpose of the research was to study what a group of university students in India intended to do upon completion of their college education: start their own business (become entrepreneurs) or work for someone else? A 62-item question-naire was administered to the first year students of the Faculty of Commerce and Management Studies at Jai Narain Vyas

University, Jodhpur, India. Of the 186 questionnaires returned, 100 were usable for this study. From the results of chi-square tests, of the eighteen independent variables, only two (luck and to lead other people) were found to have significant relationships with the dependent variable (to start your own business). According to results of factor analysis, six variables (to lead other people, to be my own boss, to put my innovative ideas into practice, determination, personal challenge and non-business education) were found to relate to the dependent variable. Finally, the logistic regression analysis showed that these six factors have a 92.35 per cent predictive value.”

“In Bangladesh, the Centre for Policy Dialogue (CPD) had presented a draft report at a Regional Workshop held at Comilla, and subsequently at a National Forum held in Dhaka along with a Policy Brief on Education that put forward a set of policy recommendations for implementation on the basis of an analytical review of the education sector that not only identified the key issues confronting the education sector, but also suggested ways and means to address the same and for improved functioning of the education sector with a view to enhancing its role in promoting growth with equity in Bangladesh.”

“Kazi, Rahman & Gazi [December 2004] has pointed out that there is a strong correlation between career progression with networking, HR activities, and communication skills. In that study, they have suggested that executives should develop the above mentioned skills to be successful in career progression.”

The objective of this paper is to identify some skills (apart from degree, certificate, and diploma) that are considered important by the corporate bodies of Bangladesh for graduate’s employability. So the educational institutions in Bangladesh can master their students in those skills. And therefore the outcome can develop an education system that would produce graduates who will be more demanded by the job market.

## II. HYPOTHESIS DEVELOPMENT

With a view of fulfilling the objectives some relevant hypothesis have been formulated for this study:

1. H<sub>A</sub>: Achieving Specific degrees/certificates<sup>1</sup> have positive effect on graduates’ employability
2. H<sub>A</sub>: Being effective in presentation skill<sup>2</sup> has positive effect on graduates’ employability
3. H<sub>A</sub>: Being effective in analytical/problem solving skill has positive effect on graduates’ employability
4. H<sub>A</sub>: Educational background<sup>3</sup> (majoring in particular discipline<sup>4</sup>) has positive effect on graduates employability
5. H<sub>A</sub>: Academic result<sup>5</sup> has positive effect on graduates’ employability
6. H<sub>A</sub>: Reputation of the institution has positive effect on graduates employability
7. H<sub>A</sub>: Orientation with corporate culture<sup>6</sup> has positive effect on graduates employability

## III. METHODOLOGY

### Sources and Collection of data

The data of this study has been collected through questionnaire interview. For the Secondary sources different journals, articles, research publications, and internet etc. has been also reviewed.

### Sample frame

The sample frame of this study has been consisted of the executives of Bangladeshi corporate bodies operating in Dhaka City. A total of 215 survey has been conducted. The stratified probability sampling approach has been selected for that study. The population has been defined as managers (both Male and Female) who are responsible for acquisition functions for their respective companies/corporate bodies.

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- 1 Specific degrees are referred to as Business and IT degrees.
  - 2 Oral and communication
  - 3 Tertiary education.
  - 4 Specially major in Marketing, Finance, EEE
  - 5 Division / Class or CGPA
  - 6 Exposure to corporate culture in terms of internship, part time or full time job experience, etc.

For collection of primary data, survey was conducted in May 2006 - June 2006

**Analysis of Data**

For analysis of data SPSS, Road Map and Microsoft Excel have been used. To entry data coding option has been used at the initial stage.

Both Parametric and non-parametric statistical tools were used to derive a meaningful conclusion from the empirical data. The measure of dispersion, correlation co-efficient, index numbers and regression analysis were applied. In addition, basic statistical techniques of different measures of central tendency has been used in analyzing the data.

**IV. HYPOTHESUS TESTING**

Table: Summary of the Responses of top executive of corporate world of Bangladesh

	H1	H2	H3	H4	H5	H6	H7
1=Unimportant	35	38	49	28	54	40	45
2= Somewhat important	48	48	51	38	65	59	48
3 = Important	57	57	41	68	42	70	48
4= Very important	35	35	38	46	30	26	37
5= Extremely important	40	37	36	35	24	20	37
Total	642	630	606	667	550	572	618
Average	2.99	2.93	2.81	3.10	2.56	2.66	2.87
Standard Deviation	1.32	1.33	1.40	1.24	1.41	1.45	1.38
Z-test value	5.44	4.72	3.32	7.07	0.62	1.62	3.96

Sources: Questionnaire Survey

- 1. H<sub>0</sub>: Achieving Specific degrees/certificates<sup>7</sup> have no positive effect on graduates' employability  
 H<sub>A</sub>: Achieving Specific degrees/certificates have positive effect on graduates' employability

H<sub>0</sub>:  $\mu = 2.5^8$   
 H<sub>A</sub>:  $\mu > 2.5$

N=215

Here  $\bar{X} = 2.99$

$\sigma = 1.32$

$Z_{cal} = (\bar{X} - \mu) / (\sigma / \sqrt{n}) = 5.44$

At 5% level of significance, follows Z - distribution  $Z_{0.05} = 1.645$

Since  $Z_{cal} > Z_{tab}$ , the null hypothesis is not accepted. So at 5% level of significance, it can be said that achieving Specific degrees/certificates have positive effect on graduates' employability.

7 Specific degrees are referred to as Business and IT degrees.

8 In a 5-point scale, the mean value is 2.5

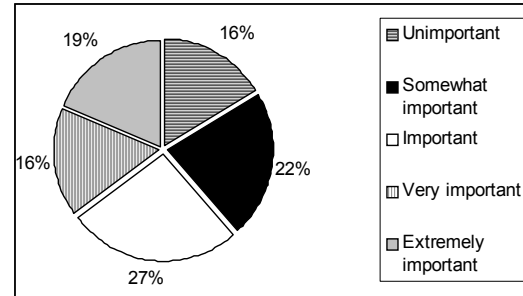


Fig-1: Respondents' view towards specific degrees

Three-fifth respondents had identified that Specific degrees/certificates are important for employability.

It is to mention here that, in the month of May-June 2006, this study had Examined 1159 different job advertisements in Bangladeshi job web site (BDJobs.com, and JobsBD.com) along with Bangladeshi daily national newspapers (The Daily Star, The Daily Ittefaq and The Daily Prothom Alo, The Daily Jugantor) and revealed that 83% job advertisements sought incumbents with BBA, MBA and IT degrees.

And the recent job trend in Bangladesh, most of the multi national, national and private organizations have preferences for business degrees such as BBA & MBA, and IT degrees.

2.  $H_0$ : Being effective in presentation skill has no positive effect on graduates' employability  
 $H_A$ : Being effective in presentation skill has positive effect on graduates' employability

$$H_0: \mu = 2.5$$

$$H_A: \mu > 2.5$$

$$N=215$$

$$\text{Here } \bar{X} = 2.93$$

$$\sigma = 1.33$$

$$Z_{cal} = (\bar{X} - \mu) / (\sigma / \sqrt{n}) = 4.72$$

At 5% level of significance, follows Z - distribution  $Z_{0.05} = 1.645$

Since  $Z_{cal} > Z_{tab}$ , the null hypothesis is not accepted. So at 5% level of significance, it can be said that being effective in presentation skill has positive effect on graduates' employability.

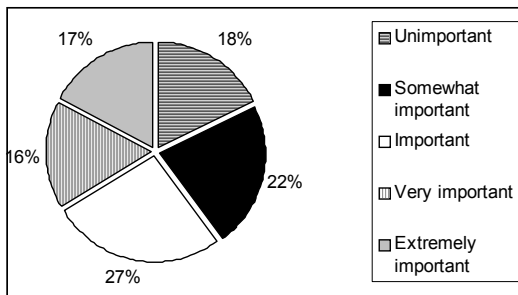


Fig-2: Respondents' view towards presentation skills

From this study it is revealed that 60% respondents had identified that presentation skills are important for employability.

During the collection of primary data, the employers conveyed that graduates should have superior oral and presentation skills to convince the employment panel.

3.  $H_0$ : Being effective in analytical/problem solving skill has no positive effect on graduates' employability

$H_A$ : Being effective in analytical/problem solving skill has positive effect on graduates' employability

In other words,

$$H_0: \mu = 2.5$$

$$H_A: \mu > 2.5$$

$$N=215$$

$$\text{Here } \bar{X} = 2.81$$

$$\sigma = 1.40$$

$$Z_{cal} = (\bar{X} - \mu) / (\sigma / \sqrt{n}) = 3.32$$

At 5% level of significance, follows Z - distribution  $Z_{0.05} = 1.645$

Since  $Z_{cal} > Z_{tab}$ , the null hypothesis is not accepted. So at 5% level of significance, it can be said that being effective in analytical/problem solving skill has positive effect on graduates' employability.

Around 54% respondents have identified that analytical skills are necessary for employability.

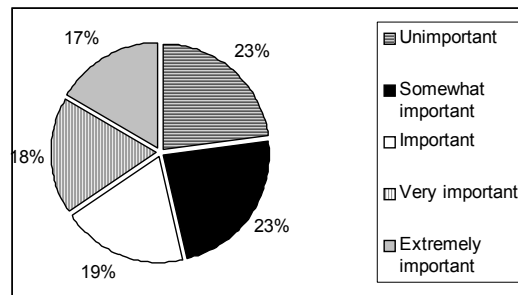


Fig-3: Respondents' view towards analytical Skills

Moreover, the employers also articulated that graduates should have sound analytical/problem solving skill; since the selection process would assess competencies of the incumbents for employability.

4.  $H_0$ : Educational background (majoring in particular discipline) has no positive effect on graduates' employability

$H_A$ : Educational background (majoring in particular discipline) has positive effect on graduates' employability

In other words,

$$H_0: \mu = 2.5$$

$$H_A: \mu > 2.5$$

$$N=215$$

$$\text{Here } \bar{X} = 3.10$$

$$\sigma = 1.24$$

$$Z_{cal} = (\bar{X} - \mu) / (\sigma / \sqrt{n}) = 7.07$$

At 5% level of significance, follows Z - distribution  $Z_{0.05} = 1.645$

Since  $Z_{cal} > Z_{tab}$ , the null hypothesis is not accepted. So at 5% level of significance, it can be said that educational background (obtaining degree in particular discipline) has positive effect on graduates employability.

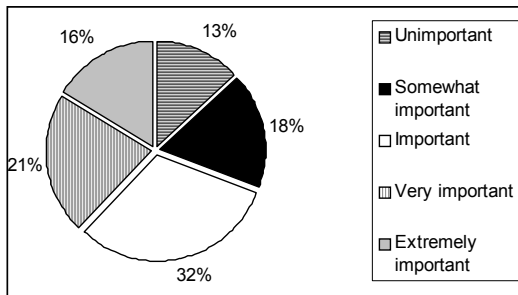


Fig-4: Respondents' view towards educational background

More than 69% respondents have identified that educational background (obtaining degree in particular discipline) are necessary for employability.

5.  $H_0$ : Academic result has no positive effect on graduates employability  
 $H_A$ : Academic result has positive effect on graduates employability

In other words,

$$H_0: \mu = 2.5$$

$$H_A: \mu > 2.5$$

$$N=215$$

$$\text{Here } \bar{X} = 2.56$$

$$\sigma = 1.41$$

$$Z_{cal} = (\bar{X} - \mu) / (\sigma / \sqrt{n}) = 0.62$$

At 5% level of significance, follows Z - distribution  $Z_{0.05} = 1.645$

Since  $Z_{cal} < Z_{tab}$ , the null hypothesis is accepted. So it can be said that at 5% level of significance, Academic result has no positive effect on graduates employability.

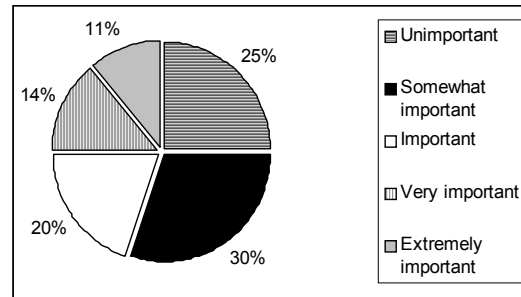


Fig-5: Respondents' view towards academic result

Around 55% respondents have identified that academic results are not that important for employability.

It is to mention here that, this study has browsed Bangladeshi job web site (BDJobs.com, and JobsBD.com) along with newspapers in the month of May-June 2006, and examined 1159 different job advertisements, and found a very insignificant number (less than 2%) of job advertisement that mentioned about academic result (e.g. CGPA / division/ class)

6.  $H_0$ : Reputation of the institution has no positive effect on graduates employability  
 $H_A$ : Reputation of the institution has positive effect on graduates employability

In other words,

$$H_0: \mu = 2.5$$

$$H_A: \mu > 2.5$$

$$N=215$$

$$\text{Here } \bar{X} = 2.66$$

$$\sigma = 1.45$$

$$Z_{cal} = (\bar{X} - \mu) / (\sigma / \sqrt{n}) = 1.62$$

At 5% level of significance, follows Z - distribution  $Z_{0.05} = 1.645$

Since  $Z_{cal} < Z_{tab}$ , the null hypothesis is accepted. So at 5% level of significance, it can be said that

Reputation of the institution has no positive effect on graduates' employability.

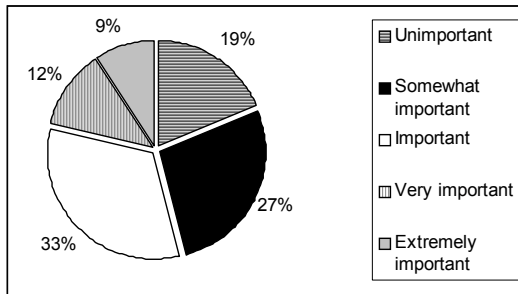


Fig-6: Respondents' view towards reputation institutions

Around 46% respondents have identified that reputation of the institutions are not that important for employability.

It is to mention here that, this study has browsed Bangladeshi job web site (BDJobs.com, and JobsBD.com) along with newspapers in the month of May-June 2006, and examined 1159 different job advertisements, and found a very insignificant number (less than 0.25%) of job advertisement stated degrees obtained from some particular institutions/ university.

- 7.  $H_0$ : Orientation with corporate culture has no positive effect on graduates' employability
- $H_A$ : Orientation with corporate culture has positive effect on graduates' employability

In other words,

$$H_0: \mu = 2.5$$

$$H_A: \mu > 2.5$$

$$N=215$$

$$\text{Here } \bar{X} = 2.87$$

$$\sigma = 1.38$$

$$Z_{\text{cal}} = (\bar{X} - \mu) / (\sigma / \sqrt{n}) = 3.96$$

At 5% level of significance, follows Z - distribution  $Z_{0.05} = 1.645$

Since  $Z_{\text{cal}} > Z_{\text{tab}}$ , the null hypothesis is not accepted. So at 5% level of significance, it can be said that Orientation with corporate cultural (experience) has positive effect on graduates employability.

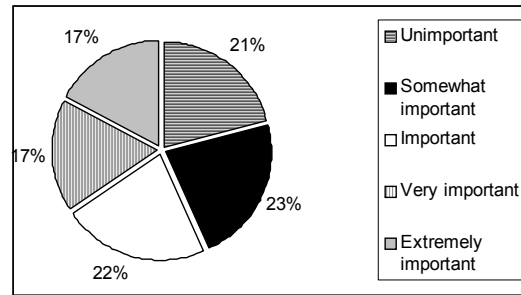


Fig-7: Respondents' view towards orientation to corporate culture

Around 57% respondents have identified that orientation with corporate cultural (experience) are important for employability.

#### IV. CONCLUSION AND RECOMMENDATION

In today's fluctuating market, academic institutions should be kept under pressure to armor their students to be equipped with those types of qualifications that are relevant and contain marketable skills. Because the ultimate goal of the academic is to impart skills, thus, providing the opportunity for employment within the students' chosen industry.

Hence they will need to re-evaluate their traditional approach to delivering higher education qualifications.

And findings of this paper suggests that to make students more work ready the teaching method of higher education establishment of this country need to be more work based, not too distant from industry requirements and develop a better understanding of modern business.

In addition to that, to reduce the graduate level unemployment rate in Bangladesh, the tertiary education establishments of this country should focus on developing curricula and teaching material, restructuring of education and assessment policy, modernization of infrastructure facilities, linkage program between education and society, co-opt scheme for industry, training institutions for faculty members in tertiary level, etc.

Moreover, suggestions are provided that students should obtain graduation in business or IT

discipline; as in Bangladeshi job markets specially, the financial sector, manufacturing sector and telecommunication sectors are the prime job-hubs and these sectors require Business and IT degree.

Furthermore, the suggestions are made towards the need for development of effective presentation skill among the students as better communication increases the likelihood of desired employability. Besides, the graduates should be sound in analytical/problems solving ability to prove their worth for employability.

Finally, it is recommended that the students need the opportunity to develop corporate orientation through internship, part time job experiences. In absence of the adequate internship/part time job opportunity, the educational institutions should develop career council and placement centers, organize workshops and seminar/conference, educational trip, industry visit to meet the need. Last but not least, the educational institutions should promote the message that the academic results and reputation of the institution are less significant in case of graduate employability.

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