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The Research Journal of Yangon University of Economics has come out by the guidelines of the Minister for the Ministry of Education in Myanmar. The journal aims at the advancement of research in all areas of Economics. It also has the aim of providing a scholastic platform to professionals, researchers, and academicians associated with the field of Economics. It is expected that the journal can provide implications for teaching and learning public policy, business policy and individual decision making.

The articles in this journal are contributed by researchers from all academic departments of our university. We fully appreciate the contributions of the researchers. We also admire their great efforts to contribute in this journal though gradually increasing numbers of the students enrolled in Yangon University of Economics make them occupied with teaching.

Yangon University of Economics has always been trying to promote the quality of education. This research journal is a proof of such endeavour.

Editorial

Yangon University of Economics Research Journal

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EMPLOYERS' SATISFACTION TOWARDS EMPLOYABILITY SKILLS OF B.COM/B.ACT GRADUATES FROM YANGON UNIVERSITY OF ECONOMICS

Dr. Soe Thu⁹ & Thwe Thwe Tun¹⁰

ABSTRACT

This study intends to analyze employers' satisfaction towards employability skills of B.Com/B.Act graduates from Yangon University of Economics and explore the gap between the expectation and perception of employers. The SERVQUAL model is used to measure the gap. Both primary and secondary are used in this study. Personal interviews with randomly selected 228 employers (8% of 3000 enterprises) from three types of business are conducted by using structured questionnaire. In this study, the employability skills are categorized as four types which are technical skills, cognitive skill, and intrapersonal skill and interpersonal skill. The results of the gap in all types of skill are negative. In accordance with the observation that has been made by comparing mean value of each skill, the cognitive skill has the highest gap to meet employers' satisfaction. This gap is obtained due to the higher expectation of employers towards overseeing several tasks and analytical skill. The interpersonal skill is the skill which has the lowest gap. This is because the perception of employers towards the graduates' listening skill and collaboration skill which is not significantly different from their expectation. These results indicate that graduates should develop the employability skills to reduce the gap between the expectation and perception

Keywords: Employability skills, Types of Business and Gap Analysis

1. Introduction

Investing in people is critical and essential for economic and social development of any country. Hence the education has to play a different role in economy especially; tertiary education institutions play an important role in supporting the country's economic objectives as well as in diffusing and applying new knowledge and developing a qualified local labor force. One of the basic functions of education is to cultivate people to meet the needs of the labor market. Today higher educational institutes are facing different challenges to equip graduates with correct competencies and attitudes required by the corporate world. The objective of higher education is to produce the output that meets the requirements of a society and therefore, important to identify what the labor market demands from higher education.

The employment of graduates to raise an organization's intellectual capital is a usual factor to hire an employee. To enable an organization's growth and constant innovation, recruiting

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graduates is a wise decision for employers looking for employees who are primed for work, able to communicate, share their skills and appreciate their place in a wider organization and its business.

The two greatest concerns of employers today are finding good workers and training them. The difference between the skills needed on the job and those possessed by applicants, sometimes called the skills-gap, is of real concern to human resource managers and business owners looking to hire competent employees. While employers prefer to hire people who are trained and ready to go to work, they are usually willing to provide the specialized, job-specific training necessary for those lacking such skills.

From the viewpoints of employers or organizations, they would want to employ graduates for several underlying reasons such as the knowledge and ideas they bring to an organization, their willingness to learn and speed of learning, their flexibility, adaptability and ability to deal with change, their logical, analytic, critical, problem-solving and skills and the impact they have on innovations (Harvey & Mason, 1996). It had become a critical challenge for employers to attain best talent and good employment. Therefore, only the graduates with better competencies will be able to meet these challenges and fit in the job market.

Theoretical Background

Definition of Employability

The definition of employability includes many factors that contribute to the idea of being employable. Little (2001) suggests, that it is a multi-dimensional concept, and there is a need to distinguish between the factors relevant to the job and preparation for work. Morley (2001) however states that employability is not just about students making deposits in a bank of skills.

Hillage and Pollard (1998), however, see employability as being capable of getting and fulfilling work through the ability to be self-sufficient within the labor market, to realize the potential through sustainable employment. Knight and Yorke (2003) also define Employability as: “A set of achievements, understandings and personal attributes that make individuals more likely to gain employment and be successful in their chosen careers.”

‘Employability is having a set of skills, knowledge, understanding and personal attributes which make a person more likely to choose and secure occupations in which they can be satisfied and successful.’ (Dacre Pool & Sewell, 2007).

Aspects of Employability

Maintaining employees with the proper skills for a given job is critical to all types of organizations in that it can lead to overall organizational success and employee performance

(Nilsson, S. and Ellström, P. (2012)). Specifically, having sufficient employability skills may be the primary characteristic that helps to increase an individual's confidence in a particular job and provide a subsequent positive impact to organizational performance. However, employability skills alone may not be enough to allow the potential of a skilled workforce to realistically improve organizational performance and productivity(Little, B. (2011)). Therefore, the process of identifying and developing relevant talent is critical for organizations in meeting both short and long-term performance goals.

However, it must be noted that the concept of employability is far broader than the concept of talent. Nevertheless to be employable, workers must possess talent. Moreover, organizations must work to promote the various types of talent they need by developing practices and systems that account for the current level of talent that resides within the workforce of the organization(Nilsson, S. and Ellström, P. (2012)).

In addition, the concept of qualifications is closely related to the broader definition of employability. This is because the qualifications, or the acquired competencies of graduates, can have a substantial impact on the ability to successfully perform in a given job(Aamodt, P., Hovdhaugen, E. and Bielfeldt, U. (2010)). Although many policy makers are currently placing greater emphasis on the relationships between workforce development and the role of higher education, the focus that many organizations still place on employability skills tends to be on selection rather than training(Little, B. (2011)) . Consequently, as significant strategic and financial costs can result from inappropriate hiring decisions, individual HRD programs should be designed by organizations to strategically develop employability skills to better meet future job demands (Nilsson, S. (2010)).

Both universities and organizations must be aware that building relevant employability skills entails more than finding a job, it consists of the development of individual techniques, attributes, and/or experiences (Harvey, L. (2005)). Furthermore, the mismatch between the supply of overall employability skills and the corresponding demand for relevant skills is a key issue as universities continue to create more graduates than can be absorbed by the job market(Baciu, E. and Lazar, T. (2011)).

As a result of the multiplicity of definitions associated with employability skills and other related terminology, numerous investigators and organizations (both public and private) have attempted to provide various frameworks to explain this terminology in a comprehensive manner. For example, the definition of employability offered by (Hillage, J. and Pollard, E. (1998)) is part of a practical framework that defines employability and its associated skills in somewhat simplistic terms.

As part of a more comprehensive approach, McQuaid, R.W. and Lindsay, C. (2005) identify a framework that analyzes the individual and external factors as well as the personal

circumstances that impact whether an individual is employable. As another example, an employability skills framework proposed by the Australian Department of Education, Employment and Workplace Relations focuses primarily on the knowledge and non-technical skills that are necessary to effectively participate in the workforce rather than the broader skill sets required in society.

Types of Employability Skills

Competencies such as ability, aptitude and qualities developed in context that can be applied to an occupation or career can be identified as employability skills. These competencies might develop employability skills as a result of the teaching and learning process in higher education or from work experience.

Hard skills refer to the skills in the technical category, dealing with data and administrative skills. Soft skills are defined as the “interpersonal, human, people or behavioral skills needed to apply technical skills and knowledge in the workplace” (Weber et al. 2009:356).

Technical Skills: Technical skills comprise the knowledge and capabilities to perform specialized tasks related to a specific field. In this part, defining the categories of technical skill is divided into two such as (1)the technical skill every graduates should have and (2) technical skill an accountant should have.

Cognitive Skill: Cognition has to do with how a person understands the world and acts in it. It is the set of mental abilities or processes that are part of nearly every human action while we are awake. Cognitive abilities are brain-based skills we need to carry out any task from the simplest to the most complex. They have more to do with the mechanisms of how we learn, remember, problem-solve, and pay attention, rather than with any actual knowledge.

Intrapersonal Skills: Intrapersonal skills deal with feelings, thoughts and emotions that are stirred up within an individual. This skill is not apparent because it is within a person and the individual next to them may not be aware of it. The American Heritage Dictionary 2010 has given the meaning of intrapersonal skill as ‘existing or occurring within the individual self or mind.’ Intrapersonal is to do with self and it is the skill that helps one manage what is going on inside oneself. An illustration of intrapersonal is someone having consciousness of how they affect the world around them by managing their emotion in the tough conditions. Tenedero (2001) has stated the qualities of people with intrapersonal skills. People with intrapersonal intelligence are generally quiet and deliberate, works well alone, manage their personal growth and search for identity. They have excellent control of their feelings and moods. They express themselves through symbols.

Interpersonal skill: Bunk (1994) has framed the model of structural change in today’s society considering the above skills through his concept of ‘professional competence’. Accordingly an

employee within modern production systems can be described as anyone who is able to solve work tasks in an independent and flexible way and is able and willing to become involved in planning within his or her occupational environment and within the work organization.

Gap analysis

Gap analysis generally refers to the activity of studying the differences between standards and the delivery of those standards. For example, it would be useful for a firm to document differences between customer expectation and actual customer experiences in the delivery of medical care. The differences could be used to explain satisfaction and to document areas in need of improvement. However, in the process of identifying the gap, a before-and-after analysis must occur. This can take several forms. For example, in lean management we perform a Value Stream Map of the current process. Then we create a Value Stream Map of the desired state. The differences between the two define the "gap". Once the gap is defined, a game plan can be developed that will move the organization from its current state toward its desired future state.

Another tool for identifying the gap is a step chart. With the step chart, various "classes" of performance are identified—including world-class status. Then, current state and desired future state are noted on the chart. Once again, the difference between the two defines the "gap".

Importance of Gap Analysis

The main reason gap analysis is important to firms is the fact that gaps between customer expectations and customer experiences lead to customer dissatisfaction. Consequently, measuring gaps is the first step in enhancing customer satisfaction. Additionally, competitive advantages can be achieved by exceeding customer expectations. Gap analysis is the technique utilized to determine where firms exceed or fall below customer expectations.

Customer satisfaction leads to repeat purchases and repeat purchases lead to loyal customers. In turn, customer loyalty leads to enhanced brand equity and higher profits. Consequently, understanding customer perceptions is important to a firm's performance. As such, gap analysis is used as a tool to narrow the gap between perceptions and reality, thus enhancing customer satisfaction.

The issue of service quality can be used as an example to illustrate gaps. For this example, there are several gaps that are important to measure. From a service quality perspective, these include: (1) service quality gap; (2) management understanding gap; (3) service design gap; (4) service delivery gap; and (5) communication gap.

(1) Service Quality Gap

This gap indicates the difference between the service expected by customers and the service they actually receive. For example, customers may expect to wait only 20 minutes to see their doctor but, in fact, have to wait more than thirty minutes.

(2) Management Understanding Gap

This gap represents the difference between the quality level expected by customers and the perception of those expectations by management. For example, in a fast food environment, the customers may place a greater emphasis on order accuracy than promptness of service, but management may perceive promptness to be more important.

(3) Service Design Gap

This is the gap between management's perception of customer expectations and the development of this perception into delivery standards. For example, management might perceive that customers expect someone to answer their telephone calls in a timely fashion. To customers, "timely fashion" may mean within thirty seconds. However, if management designs delivery such that telephone calls are answered within sixty seconds, a service design gap is created.

(4) Service Delivery Gap

This gap represents the gap between the established delivery standards and actual service delivered. Given the above example, management may establish a standard such that telephone calls should be answered within thirty seconds. However, if it takes more than thirty seconds for calls to be answered, regardless of the cause, there is a delivery gap.

(5) Communication Gap

This is the gap between what is communicated to consumers and what is actually delivered. Advertising, for instance, may indicate to consumers that they can have their cars 'oil changed within twenty minutes when, in reality, it takes more than thirty minutes.

2. Method

Sample and Research Design

Data are collected from 228 employers from Hlaingtharyar in Yangon. Those employers were interviewed using the structured questionnaires. The respondents include the employers from different types of business including manufacturing, trading and service. These types are analyzed and put into group after collecting the data.

The questionnaire was divided into two parts. Section A tried to investigate the characteristics of the organization such as type of organization, type of business, founded year, education, position and number of employees. Section B seeks the respondents' expectation and perception about employability skill of graduates. For each sub item of Part B in the questionnaire, five-point Likert scale was used, ranging from 1 meaning very low expectation and perception to 5 very high expectation and perception.

3. *Analysis and Results*

Gap analysis was conducted with Microsoft Office Excel. Firstly, the descriptive statistics of the sample were computed. Out of 228 employers, the portion of the respondents who are the employers from production sector is 23%. The percentage of Manufacturing sector and trading sector are the same, the respondents from trading sector is also 23%. And the larger percentage 54% indicates the respondents from service sector. In studying the operating years, the years of the business are divided into three groups like below 5 years, between 5 years and 10 years and above 10 years. According to the result, 31% of the respondents is from the business which has the life below 5 years and another is 20% represents the life between 5 years and 10 years. The largest part is 49% which represents the business operating above 10 years.

The number of permanent employees is different according to the size of organization. The organization that hires permanent employees counting from 121 to 150 is the least which represent 1%. And the largest is 54% counting for fewer than 30 permanent employees. The organization which employs the 31-60 permanent employees is counting for 15% and over 150 permanent employees is 21%. There is similar percentage of 4% in related with the two ranges of 61 to 90 and 91 to 120 permanent employees. For the part of considering work-experience for recent graduates, it is needed to know whether there are part-time employees in the organization. According to the Table(4.5), the organization which does not hire part-time employees account for 66%, the largest percentage which is more than half. This means that there is still less chance for students to get work-experience and degree at the same time. The organization which has 1-3 employees is 29%, and 4 – 6 employees is 4%.

The percentage of the number of employees fewer than 10 is the largest. The employers of the organization who employ 11-20 number of B.Com graduates come to 5%. The Table also shows the number of B.Com graduates ranges from 21 to 30 and above 50 each results each range with 3%. But employing graduates counted for 31 to 40 and 41 to 50 employees is very few or 0% is shown in table. 41% resembles that there is no B.Act graduates employees employed in the organization. The range of the number of employees fewer than 10 employees is the largest up to 53%. The greater the range for the number of employees , the

less percentage will be found. The number of employees from 11 to 20 is 4% and the range 21 to 30 is 1%. But there are no more employees who employ the number of B.Act graduates more than 31 employees.

The negative gaps in all employability skills can be detected, thus the total gap was negative. It means that the performance of the graduates have not met the expectation of the employers. In other words, expectations are still greater than the actual performance. The value gaps in each sector when it is put in order from the smallest to largest are: interpersonal skill (-0.422), intrapersonal skill (-0.474) in trading sector, technical skill (-0.486), cognitive skill (-0.602) in manufacturing sector.

Table (1) Comparison of Skill Gaps among Three Types of Business

	Technical Skill	Cognitive Skill	Intrapersonal Skill	Interpersonal Skill
Manufacturing	-0.486	-0.602	-0.418	-0.404
Service	-0.36	-0.494	-0.436	-0.388
Trading	-0.434	-0.58	-0.474	-0.422

Source: Survey data 2016

The analysis is carried on by analyzing the mean values of each category which are divided into five categories in one type of employability skill. The detailed analyses of the following result are presented in Appendix A.

Analysis of technical skill by manufacturing, service and trading sectors, the value of gap in manufacturing is greater than other two sectors. This gap is obtained since the largest gap in language proficiency skill (-0.82), is resulted. Therefore, the graduates do not meet the expectation of the employers who want the language proficiency from their employees. In other two sectors, the gap is lower according to the results of positive gaps (0.22 and 0.18). These positive gaps mean that employer from service sector are satisfied with the competence in relevance with position (0.22) and the employers from trading sector are satisfied with computerized accounting skill (0.18) of graduates.

Analysis of cognitive skill in comparison of three sectors, the negative gap, the largest gap, (-0.6) is resulted manufacturing sector. In analyzing the categories of cognitive skill, the employers from manufacturing sectors pointed out that the perception of overseeing several tasks is much different from their expectation. This difference results the negative gap (-0.77) and the gap is greater than other two sectors according to this result. Also, the employers

from trading sector are not satisfied with the skill of overseeing several tasks. But the employers from service sector are not satisfied with the analytical skill of graduates.

Analysis of intrapersonal skill, the mean values of gap in three sectors have negative values. The negative gap is largest in trading sector because the larger gap value between the expectation and perception of employers towards functioning at an optimal level of performance contribute to the overall mean value of gap. The employers from other two sectors are also dissatisfied most in the skill of functioning at an optimal level of performance.

Analysis of interpersonal skill, the results are indicators of how the graduates can communicate well in their working environment. In categorization the negative gaps of skills form smallest to largest, the value of interpersonal skill is the least among four types of skill. This means that employers from all sectors agree that the perception of the skill of graduates is not significantly different from their expectation although the negative gap (indicator of dissatisfaction) is presented.

Findings

This study can reveal the factors of the organizations from the three types of business including trading, service and manufacturing. The factors included in this study are types of organization, types of business, operating years of business, number of permanent employees and part-time employees, number of B.Com graduated and B.Act graduated employees, position for graduates. Such factors collected from 228 employers are demonstrated by pie chart and bar graph. Then, the study explored the gap (difference) between the employers' expectations and perceptions about sets of employability skill including technical skill, cognitive skill, intrapersonal skill and interpersonal skill.

The research has generated the interpersonal skill which has the lowest gap when it is compared to other types of skill. In accordance with the observations that have been made by comparing the mean value of each skill, the graduates have tried to improve the listening skill which is the heart of communication ability. The attention is given from the graduated employees to employers is considered to be good by the employers, which mean that the employers have received the performance of the graduates not significantly different from their expectation.

Intrapersonal skill is in the second row that has the lower gap when it is compared to other dimensions. The ability to complete their works before deadlines is the important skill required by the employers. In this type of skill, graduated employees are able to manage themselves to complete work in time. Therefore, it is found that B.Com/B.Act graduates learned how to perform effectively and efficiently toward their goals.

In the order from the lowest to highest negative gaps, technical skill ranks in third position in the gap analysis. Therefore, it can be concluded that most of the employers expect highly to language proficiency skill of their employees. Actually, only good language proficiency cannot make students to get employed. Other factors such as computerized accounting skill, competence in relevance with position can also influence on graduates' employability.

Cognitive skill is the skill that has the highest gap. Although employers expect highly for analytical skill, the perception is significantly different from their expectation. The graduated employees of the respondents are B.Com/ B.Act graduates and most of these graduates work as accountant. Therefore, the perception of employers towards the skill of overseeing several tasks by graduates is too low to meet employers' expectation.

The study reveal the importance placed on individual skill within each type of business also differed between the groups of employers. The findings therefore will be useful for the graduates in prioritizing skill to achieve positive outcomes in the satisfaction level of employers and their choice of study destinations. In conclusion, gap is not stable and it is a changeable aim which takes different needs of employers, therefore, it is recommended that the graduates should make efforts to improve and make better skills to meet the employers' expectation for higher employability.

Suggestion

s

In view of the theoretical studies of the employability skill and the conclusion of this study, the following recommendations and suggestions are presented. It is recommended that the graduates should aware the employers' expectations and standardize relevant skills with their expectations. According to the result, all dimensions indicate that expectations are greater than perceptions. It may not be enough to merely satisfy customers.

The higher expectation can cause the graduates difficulties. When the employers make enquiry at the job interview of the graduates for the first time, the communication skill including presentation is very important. If they can communicate the best, the employers will expect the best. If the job interview presentation is not good, the employers will switch to other new graduates. So, presentation and communication skill of the graduates can affect the expectation and perception of employers.

Needs for Further Study

Questionnaire of this study is limited to the four types of employability skill. The types of skills in questionnaire should be advanced by considering the characteristics and performance of an employee. Moreover, there was a limited range of response from the side of employers. Although the types of business are categorized into three types, there is no balance in the number of employers included in each type of skill. Also, the sectors should be more specialized by considering the types of business in which the graduates want to

employ after they had graduated in their specialized field.