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Volume 33, 2008 - [Issue 4](#): Employability, Mobility and the Labour Market

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# Graduate Employability, 'Soft Skills' Versus 'Hard' Business Knowledge: A European Study

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Pages 411-422 | Published online: 14 Sep 2010

Cite this article

<https://doi.org/10.1080/03797720802522627>

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# Introduction



# The Study Background

Each of the four countries included in the study have very different higher education sectors. Slovenia has the smallest sector with just over 67,200 students (EIU, [2005a](#)) enrolled at three state owned and managed universities and seven private Higher Education Institutions (HEIs) (Doling, [2005](#)). Austria has around 200,000 students (EIU, [2005b](#)) enrolled in 112 Higher Education Institutions comprising of a mixture of universities and Fachhochschulen (vocationally-focused Higher Educational Institutions). Of the four countries, Romania has the most complex HE Sector with over 1.5 million students enrolled in 112 public and private universities and colleges (Arsene, [2005](#)). The United Kingdom has the largest sector with around 2 million undergraduates enrolled in 197 HEIs (SCIT, [2006](#)).

Demographic differences between the countries are exaggerated by social and economic disparities. Despite this, the content of business related undergraduate courses is remarkably similar in all business schools taking part in the study<sup>1</sup> with similar 'core' modules such as accounting, strategic management, marketing, economics and business psychology being taught in each institution.

## The Study

The aim of the study was to explore business-related skills and competencies of business school graduates and their employers' views on business education.

Utilising a mixed methods approach, data was collected across a range of business schools and interviewed graduates. The graduate respondents provided their position from the perspective of their 'current' or 'previous' positions' of work-based learning and competencies; and the employers' views on business education.



recruitment issues including training and formal graduate employment schemes; perceptions of, and organisational links with, higher education; key business skills and competencies expected of graduates within the work environment; and interpersonal and communication skills and competencies.

Each interview, which took on average an hour to complete, was tape-recorded and where necessary translated into English prior to transcription. The transcripts were then analysed by one of the authors utilising grounded theory methodology (Glaser and Strauss, [1968](#)).

## Defining Graduate Employability

Definitions of employability vary greatly from a focus on graduates' abilities to adapt their and use personal and academic skills (Knight and Yorke, [2004](#)) to more tangible educational outcome measures that associate graduate employability with employment under the auspices of the UK's 'first destination' statistics (Smith et al., [2000](#); Harvey et al., [2002](#)). In analysing such 'first destination' statistics Smith et al. suggest that, at an individual level, the probability of unemployment or inactivity six months after graduation is influenced strongly by the individual's class of degree, subject studied,

prior qualifications, and prior work experience. Smith et al. found that nearly two thirds of graduates in the health and life sciences discipline with the lowest degree classification were unemployed within a year of graduation. Smith et al. also found that graduates with particular funding sources were more likely to be unemployed. Smith et al. (2000) also found that graduates with prior work experience were more likely to be employed. Smith et al. (2003) also found that graduates with prior work experience were more likely to be employed.

It is evident from the above that the concept of graduate employability is somewhat vague and that there is a need for a more comprehensive synthesis of the available literature on graduate employability and its measurement.

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The ability to work under pressure;

The ability to plan and think strategically;

The capability to communicate and interact with others, either in teams or through networking;

Good written and verbal communication skills;

Information and Communication Technology skills;

Creativity and self-confidence;

Good self-management and time-management skills;

A willingness to learn and accept responsibility (Adapted from: McLarty, [1998](#); Tucker et al., [2000](#); Nabi, [2003](#); Elias and Purcell, [2004](#)).

In utilising and amalgamating the above skills and competencies for the purposes of defining graduate employability, the intrinsic link between graduate skills and competencies and the needs of the labour market (Trunk et al., [2006](#)) was considered of paramount importance. Thus, the key features of graduate employability identified above formed the basis of the study interviews. Each of the graduates and employers

interviewed were asked to draw on their experiences and insights from the interview process to support. By drawing on the issues raised in the interview process, the study identified the key features of graduate employability.

The Study

Three different companies were selected for the study. The companies were selected on the basis of their different

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analogous,

The following paragraphs discuss the study findings, looking firstly at graduate, and then employer, perspectives.

## Business Specific Issues: Hard-Business Knowledge and Skills

I had to have a business degree. It is absolutely vital in the financial sector.  
(Austrian graduate)



The graduates also described how they were able to adapt and apply the core business skills learnt in education to their employment:

I use every module in my daily work. I develop smart objectives to work from and towards. In every case I begin with a PEST [Analysis of the Physical, Environmental, Sociological and Technological factors] and a SWOT [internal Strengths and Weaknesses and external Opportunities and Threats] analysis. (UK graduate)

I manage accounts... All of the modules are useful even the ones I didn't enjoy. (Romanian graduate)

Not all of the graduates' experiences of moving from education to employment were wholly positive; some described practical difficulties reflective of perceived 'gaps' in their business education:

Business Programmes should teach SAP [ICT Accounting Programme]. It was not taught on my course. You cannot go out there without any SAP knowledge. (Austrian graduate)

... you don't get taught enough about how to put together the formal documentation you have in employment (Slovenian graduate).

You don't actually get taught how to do presentations properly which would

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

Whilst the majority of the graduates felt their education had equipped them with transferable written skills, this was not the case when discussing oral presentation skills:

I feel I could have done with some sort of formal training in how to do presentations... (UK graduate)

My presentation skills improved a little as I progressed through the course... I would have benefited from some sort of training in presenting though... (Austrian graduate)

I think there should have been more practice at ... presenting things in front of other people as part of my degree course... (Slovenian graduate)

Although many of the graduates felt that their education had not provided them with the necessary level of oral communication skills required in the work environment, many felt that their university experiences of group-work had provided them with vital team-working skills:

We had to do a lot of group-work at university... This has been really useful in ... (UK graduate)





# Work Experience and Work-based Learning

Work experience gained during work-based learning programmes such as formal placements and internships represented a significant aspect of many of the graduates' experiences. The nature of such work experience varied from country to country. Most of the UK graduates had undertaken a twelve-month-long period of formal paid work placements, whilst a few of the Austrian, Slovenian and Romanian graduates had undertaken a period of formal 'internship'. It was evident from the study that the UK graduates benefited greatly from participating in a twelve-month period of formal work-placement. This placement afforded multiple benefits, providing a valuable learning opportunity during which theoretical skills could be applied to 'real-life' employment:

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

I benefited greatly from the placement. Learned a lot. I applied what I'd learned in the first two years of my degree ... it was a really good experience... (UK graduate)

For many of the UK graduates, the most valuable part of formal work-placements was an enhanced understanding of the workplace and the ability to apply theoretical knowledge to what I'd



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Whilst for the Austrian graduates, the most valuable part of formal work-placements was the opportunity to gain practical experience and to apply theoretical knowledge to what I'd



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(UK graduate)

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For the German graduates, the most valuable part of formal work-placements was the opportunity to gain practical experience and to apply theoretical knowledge to what I'd

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My internship was very relevant to my course. I did it in Italy and used the knowledge I gained in education to develop two handbooks. (Slovenian graduate)

## Study Findings: Employers' Perspectives

### Business Specific Issues: Hard Business Knowledge and Skills

For employers, the added-value of employing a business graduate was that a higher level business related qualification represented more than evidence of the acquisition and application of knowledge. It reflected an individual's ability to think in a critical and applied manner:

It's important that they be able to think outside the box... Having studied at degree level means they know how to put forward an argument... (UK employer)

The discipline isn't so important, it's the other skills learned at university that are important. The analytical skills and problem solving skills... (Romanian employer)

We prefer graduates because they are able to understand and analyse



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

We're looking for IT skills, business related skills and business knowledge... (Austrian employer)

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

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

(UK employer)

We're looking for people who understand what's going on in the business world... (Austrian employer)

Graduates need to gain an edge and to have business acumen. Not just know the theories. (Romanian employer)

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

Business acumen is the one key thing we look for the most. Many students

know how



Team-working skills were also identified as being a vital part of the graduate portfolio:

It's important that graduates are able to work as part of a team... (Austrian employer)

Graduates need to be able to work together within a team... (Romanian employer)

We look for evidence that they have worked in teams at university... (UK employer)

Employers also appreciated that graduates were able to think innovatively:

(We want someone who is innovative and who can come up with ideas. They need to be able to express their ideas... (Austrian employer)

We prefer to employ graduates because they generally have a lot of fresh ideas... (Slovenian employer)

## Work Experience and Work-based Learning

Like the graduates, the employers' perspectives of graduate work experience, and associated work 'readiness' reflected differences in each country's educational system. For the U



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Work experience is very important, it teaches students about business etiquette, little things like being on time, knowing how to behave in different work situations... (Romanian employer)

## Discussion of Findings and Conclusion

Like the employers, the majority of graduates identified 'hard' core business skills as being an important and integral part of their portfolio. However, whilst many of them felt more than qualified in respect of discipline focused abilities, they perceived themselves as lacking the necessary level of presentation skills. Furthermore, in each country, graduates felt they had not had been able to gain sufficient expertise or experience in making verbal presentations whilst in higher education. Previous study findings have identified presentation skills as an important facet of employability and suggested that the teaching of such skills should form part of the undergraduate curriculum (Fallows and Stevens, [2000](#); Pittenger et al., [2004](#)). It would seem therefore, that in order to promote business graduate employability within an increasingly competitive and global business environment, business schools need to develop programmes in which undergraduates are actively encouraged to acquire and hone 'softer' communication skills. High levels of business knowledge by itself is insufficient, excellent verbal communication skills are also necessary in order that graduates feel confident in their abilities to communicate such knowledge.

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positively because it provided evidence that graduates were willing to work hard to achieve their goals and were able to balance employment and study.

In conclusion, in the four different countries included within this study, the similarities in the demands and expectations that employers have of business graduates were remarkably homogenous. Moreover, there were notable similarities in graduate and employer perspectives of what may be termed ‘core components’ of business graduate employability: the value of hard business-related knowledge and skills; the importance of soft business-related skills and competencies; and the need for prior work-experience. The study findings support the issues raised in the Bologna Declaration in respect of the need for comparable degrees (and therefore degree content) across Europe (Vlăsceanu and Voicu, [2006](#)). Thus, in order to promote business-graduate employability on a pan-European scale, business schools across Europe need to make sure business graduates are equipped with more than hard business-focused skills and competencies. Work experience, and an ability to utilise softer business-related skills and abilities are also vital. With graduate numbers increasing on a global scale, European business schools have a responsibility to promote the employability, work readiness and mobility of their graduates. In doing so, they will produce highly qualified, flexible and employable individuals, able to meet the ever-changing demands of modern-day European business.

Notes

This research was part of the European Union Horizon 2020 Marie Skłodowska Curie Project. The project is funded by the European Union under the Marie Skłodowska Curie Grant Agreement No. 101019719. The project is coordinated by Prof. Dr. Jane Anderson (University of York, UK); Eva-Christina (University of York, UK); Maria (University of York, UK); Chris (University of York, UK); (Fachhochschule, Austria); (Slovenia); (Romania); Leonard (University of York, UK); project and University: University,



(Fachhochschule, Austria); Doris Gomezeld, Natasa Mithans, University of Primorska (Slovenia); Paul Rinderu, Mihai Marin, Mihnea Cosoveanu, University of Craiova (Romania).

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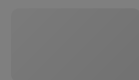
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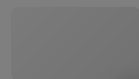


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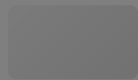
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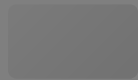
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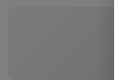


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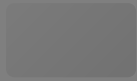
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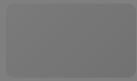


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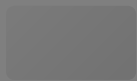
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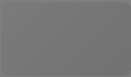


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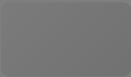
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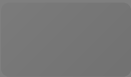
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