# DETERMINANTS OF GRADUATE EMPLOYABILITY: A STUDY OF UUM'S GRADUATES

A thesis submitted to the Faculty of Business Management in partial fulfillment of the requirements for the degree

Master of Science (Management),

Universiti Utara Malaysia

by Mohd Zukri bin Sidek

# **PERMISSION TO USE**

In presenting this thesis in partial fulfillment of the requirements for a post graduate degree from Universiti Utara Malaysia, I agree that University Library may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in their absence, by the Dean of Faculty of Business Management. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:

Dean

Faculty of Business Management
Univesiti Utara Malaysia
06010 Sintok

Kedah Darul Aman

# **ABSTRAK**

Kajian ini dilakukan akibat dari kebimbangan masyarakat yang meningkat mengenai isu kebolehan graduan universiti mendapat pekerjaan akhir-akhir ini. Sebagai sebuah institusi yang bertanggungjawab melahirkan tenaga kerja yang berkemahiran untuk pasaran buruh yang semakin kompetitif, institusi pengajian tinggi perlu memastikan graduan yang bakal dilahirkan memenuhi kehendak dan keperluan majikan. Setelah membuat rujukan terhadap Teori Pembelajaran Sosial (Bandura, 1986) dan kaedah bagaimana pengetahuan dan pengalaman dapat dipindahkan (Nonaka, 1991), maka kajian ini memfokus kepada persepsi graduan terhadap persekitaran kampus sebagai medium pembelajaran dan pembentukan di kalangan pelajar. Ia melibatkan persepsi di kalangan graduan Universiti Utara Malaysia. Kajian ini memberi penekanan terhadap pembentukan kemahiran dan pengalaman kerja melalui suasana persekitaran yang wujud di universiti. Ini adalah selaras dengan scenario pasaran buruh kini yang mana majikan lebih merujuk kepada mereka yang berkemahiran dan berpengalaman dalam mengrekrut pekerja. Kajian ini juga merangkumi penilaian terhadap kursus atau program yang ditawarkan oleh pihak universiti. Sebagai asas, kajian ini melihat hubungan di antara persekitaran univerisiti dan pembentukan kemahiran boleh pindah (transferable skill) dikalangan pelajar. Ini berdasarkan kepada teori pembelajaran sosial yang melihat pembelajaran boleh dan sering berlaku dalam konteks sosial. Selain daripada itu, kajian ini juga melihat persepsi graduan terhadap bagaimana pengetahuan tacit atau pengalaman kerja dapat disebarkan dalam persekitaran universiti. Hasil daripada kajian ini mendapati terdapat hubungan di antara kedua-dua pembolehubah tersebut. Secara keseluruhannya, persekitaran universiti memainkan peranan penting dalam pembentukkan kemahiran boleh pindah di kalangan pelajar. Namun begitu beberapa pembaikan perlu dilakukan oleh pihak universiti kerana hubungan terhadap kedua-dua pembolehubah tersebut adalah rendah. Pembaikan ini adalah penting dalam memastikan universiti dapat melahirkan graduan yang berkualiti, mempunyai daya penarik, dan berdaya saing. Ciri-ciri ini perlu ada pada setiap graduan agar mereka mendapat tempat di dalam pasaran buruh yang semakin mencabar.

# **ABSTRACT**

This study was conducted as a consequence of Malaysian society's growing concern over the issue of graduate employability recently. As a group of institutions which is responsible for producing human resource for the competitive labour market, the higher education institutions (HEIs) need to ensure that they produce graduates with employability skills that fulfill employers' requirements. After reviewing Bandura's (1986) Social Learning Theory, and Nonaka's (1991) four modes of knowledge conversion, this study had decided to focus on graduates' perception towards campus climate as a learning and development medium. It involved the perception among University Utara Malaysia's (UUM) graduates. The study emphasized on work experience and transferable skill development through the environment provided by the university. This was linked to the recent labour market scenario where employers were inclined to recruit graduates with transferable skills and experiences. The assessment of courses or programmes offered was also included. This study focused on the relationship between campus climate and the development of transferable skills. This was based on the social learning theory which argued that most of the learning process occurs through social context. In addition, this study also viewed the graduates' perceptions towards how tacit knowledge or work experience were disseminated in the university environment. It was found that the UUM's environment had a significant relationship with transferable skill development among their students. Although some significant relationship existed, the university could still improve the environment further as the relationships between both variables (university's environment and transferable skill development) were found to be low. The improvement of the university's environment could assure that university could produce quality and competitive graduates in the future. These characteristics could serve as important assets for the graduates in a challenging labour market.

### **ACKNOWLEDGEMENT**

This research was accomplished with the aid of many people who generously contributed their time, abilities, and resources. I am especially grateful to an excellent supervisor and friends who continual source of encouragement and support.

Associate Professor Dr. Mohmad Yazam b. Sharif, my supervisor, was an invaluable resource throughout the research. Thank you for your support, encouragement, and guidance in the completion of this research. I am immensely appreciative of opportunities for learning. My sincere appreciation and respect to a true contribution.

The research for this study could not have been possible in so short time without the help of my friends. My gratitude and appreciation are also extended to Faziha Abd Malek, Mohd Syukri Bakar, Mohamad Ali, Kamaruddin Radzuan, and Wan Azlina for their help especially in preparing the report. A very deep appreciation for several generous individuals, thank you for your helping, comments, and supports, especially in sharing ideas and skills.

Finally, I would like to express my appreciation to my beloved father and mother, Sidek bin Mohd Yassin and Azizah binti Mohd Taib, and also to my brother and sisters, for their continual support and patience. Last but not least, to extraordinary person in my life, Noor Asyikin Shamsuri, thanks for the spirit and encouragement.

With them, I share the joy of this success.

# TABLE OF CONTENT

	TABLE OF CONTENT	Page Number
PERN	i	
ABST	ii	
ABSTRACT		iii
AĈK:	iv	
TABI	V	
LIST	vii	
LÏST	viii	
ABB	ix	
CHA	APTER ONE: INTRODUCTION	
1.1	Introduction	1
1.2	Problem Statement	2
1.3	The Graduate Employability Issue in Malaysia	3
1.4	Background of the Study	
1.5	Research Objectives	6
1.6	Research Questions	7
1.7	Theoretical Framework	
1.8	Significant of the Study	9
1.9	Scope	10
1.10	Limitations.	10
1.11	Summary of Chapters	11
CIL	APTER TWO: LITERATURE REVIEW ON ISSUE	ec diet attern
	GRADUATE EMPLOYABILITY	S RELATED
2.1	Introduction	12
2.2	The link between Higher Education Institution, Knowledge	12
2.2	Management and Graduate Employability	12
2.3	Graduate Employability	15
2.4	Campus Climate	17
۷.٦	2.4.1 The nature of campus climate	17
	2.4.2 Campus climate as a learning medium	19
	Social learning theory	20
	<u>.                                    </u>	23
2.5	Four modes of knowledge conversion  Knowledge	26
2.5	Knowledge	26 26
	2.5.1 Types of knowledge	28 28
26	2.5.2 Tacit knowledge and work experience	28 30
2.6	Skill	30 30
	2.6.1 The variety of skills	30 32
27	2.6.2 Transferable skill	32 36
2.7	Conclusion	<i>3</i> 0

# **CHAPTER THREE: METHODOLOGY**

3.1	Introduction	<b>37</b>
3.2	Research Design	37
3.3	Population and Sample	38
3.4	Instrument	38
3.5	Pilot Test	40
3.6	Reliability of the Instrument	41
3.7	Data Collection	42
	3.7.1 Primary Data	42
	3.7.2 Secondary Data	42
3.8	Data Analysis Procedure	43
СН	APTER FOUR: FINDINGS	
4.1	Introduction	45
4.2	Demographic Characteristics of the Respondents	45
4.3	Graduates Perception on Graduate Employability	48
4.4	Hypotheses Testing between Variables of the Studied	50
4.5	Graduates Perception on Dissemination of Work Experience or	
	Tacit Knowledge	55
4.6	Conclusion	57
СН	APTER FIVE: CONCLUSION AND RECOMMENDA	TION
5.1	Introduction	59
5.2	Summary of Finding	59
5.3	Recommendations	62
5.4	Suggestions for Future Research	65
	rences	66
App	endix	

# LIST OF TABLES

		Page Number
Table 2.1:	Dimensions of Learning Effectiveness	25
<b>Table 2.2:</b>	A three-way classification of skills	31
<b>Table 2.3:</b>	The Essential of Transferable Skills	34
<b>Table 2.4:</b>	The Top 20 Skills for the Knowledge Economy	35
Table 3.1:	Reliability of the instrument	41
<b>Table 3.2:</b>	Pearson Correlation Coefficients	43
Table 4.1:	The Demographic Characteristics Data of the Respondents	46
<b>Table 4.2:</b>	Percentage of respondents' perception toward the causes of	
	graduate unemployment	48
Table 4.3:	Percentage of respondents' perception toward the factors	
	assist graduate to secure work after graduation	49
<b>Table 4.4:</b>	The relationship between campus climate and transferable	
	skill	51
Table 4.5:	The relationship between course experience and	
	transferable skill	52
Table 4.6:	The relationship between college activities and transferable	
	skill	53
<b>Table 4.7:</b>	The relationship between university environment and	
	transferable skill	54
<b>Table 4.8:</b>	Percentage of respondents perception toward peoples who	
	responsible for the development of transferable skill	55
Table 4.9:	Percentage of respondents' perception toward program or	
	situation that give the opportunity to gain work experience	
	and transferable skill	49

# LIST OF FIGURES

		Page Number
Figure 1.1:	Figure 1.1: Theoretical Framework	8
Figure 2.1:	Figure 2.1: The relation between learner and environment	21
Figure 2.2:	Nonaka's four modes of knowledge conversion	23
Figure 2.3:	Tacit and Explicit Knowledge	27
Figure 4.1:	Percentage of present status of respondents	47

# **ABBREVIATIONS**

**HEI** Higher Education Institution

UUM Universiti Utara Malaysia

ICT Information Communication and Technology

**BBA** Bachelor of Business Administration

BHRM Bachelor of Human Resource Management

BIT Bachelor of Information Technology

**BACCT** Bachelor of Accounting

**BEC** Bachelor of Economy

BBA(Pom) Bachelor of Business Administration (Production Management

Operation)

**BBA(Finance)** Bachelor of Business Administration (Finance)

BBA(Hrm) Bachelor of Business Administration (Human Resource

Management)

**BPM** Bachelor of Public Management

BIBM Bachelor of International Business Management

BSWM Bachelor of Social Work Management

BIAM Bachelor of International Affairs Management

BTM Bachelor of Tourist Management

# **CHAPTER ONE**

# INTRODUCTION

### 1.1 INTRODUCTION

Liberalization of economy, globalization, and the rapid development of information communication and technology (ICT) has shifted the world to a new phase of development called k-economy. The arrival of k-economy has created a massive need for organizations to focus on knowledge management among their employees. According to Brooking (1997), knowledge management activity is concerned with strategy and tactics to manage human assets as knowledge lies in the human heads (now commonly referred to as 'knowledge or k-workers). K-workers with high employability skills are now required as part of organizations' strategies to sustain their competitiveness in business.

"Human resources and knowledge management are emerging as the key competitive assets of organizations"

(Ulrich et. al., 1997)

One of the applications for knowledge management in higher education institution is to enhance the quality of curriculums and programmes (Kidwell et. al., 2000). Based on the premise that each higher education institution (HEI) is the centre of human capital and intellectual capital investment, this study had decided to evaluate the role of Universiti Utara Malaysia (UUM), in producing suitable

# The contents of the thesis is for internal user only

# REFFERENCES

- Astin, A. (1996). Involvement in Learning Revisited: Lessons we have learned. Journal of College Student Development. Vol. 37, No. 2, pp 123-134.
- Astin, A. (1993). Diversity and Multicultural on the Campus: How are students affected? <u>Journal of College Student Development</u>. Vol. 25, No. 2, pp 44-49.
- Atkinson, J. (1984). Manpower Strategies for Flexible Organizations. <u>Personal</u> Management. August, pp 28-31.
- Babbie, E. (2001). <u>The Practice of Social Science</u>, 9<sup>th</sup> <u>Edition</u>. USA. Wadsworth Thomson Learning.
- Bandura, A. (1986). <u>Social Foundations of Thought and Action</u>. Englewood Cliffs, NJ: Prentice Hall.
- Barcelo, N. (1991). <u>Coping with Addressing Racism in Our Educational Institutions</u>. A collection papers in University of Nothern Iowa's Institute for Educational Learnership.
- Blackstone, T. (1998). £8 Million to Increase Student Employability. London. DfEE press release.
- Boyatzis, R.E. (1982). <u>The Competent Manager: A model for effective performance</u>. New York. Wiley.
- Birkett, W.P. (1993). <u>Competency Based Standards for Professional Accountants</u>
  <u>in Australia and New Zealand</u> discussion paper for Australian Society of Certified Practicing Accountants.
- Brooking, A. (1997). The Management of Intellectual Capital. <u>Journal of Long Range Planning</u>. Vol. 30, No. 3, pp 364-365.
- Conner, H., and Pollard, E. (1996). What Do Graduates Really Do?. Institute of Employment Studies. Brighton.
- Coopers, L., and Lybrand, M. (1997). Skills Development in Higher Education. DfEE
- Cooper, D.R., and Emory, C.W. (1995). <u>Business Research Methods</u>, 5<sup>th</sup> Edition. Chicago. Irwin Inc.

- Crosson, P. (1992). Environmental Influences on Minority Degree Attainment: Equity and Excellence. <u>Journal of College Student Development</u>. Vol. 25, No. 2, pp 5-15.
- CSU. (2000). The Graduate Labour Market: Trends and Issues. (www.prospects.ac.uk/student/cidd/LMI/Achive/Win 1998/Skills.htm)
- CSU . (2000). The Graduate Labour Market: Graduates and over education. (www.prospects.ac.uk/students/cidd/LMI/Achine/Sum\_00/Over.htm.)
- Curry, P. Sherry, R., and Tunney, O. (2003). What transferable skills should students acquire in college? dissertation report. University of Dublin Trinity College.
- Davenport, T., and Prusak, L. (1998). <u>Working Knowledge: How organizations</u> manage what they know. Boston. Harvard Business School Press.
- Davies, L. (2000). Why Kick the 'L' of 'Learning'?: The development of student's employability skills through part-time working. <u>Education + Learning</u>. Vol. 8, No. 42, pp 436-445.
- Dickinson, M. (2000). Giving Undergraduates Managerial Experience. <u>Education</u> + Training. Vol. 42, No. 3, pp 159-170.
- Fallows, S., and Stevens, C. (2000). Building Employability into the Higher Education Curriculum. Education + Training. Vol. 42, No. 2, pp 75-83.
- Gow, K. (2001). Labeling, Engendering and Generalizing Transferable Skill. <u>New Era Education</u>. Vol. 82. No. 3, pp 66-70.
- Handy, S. (1989). The Age of Unreason. London. Pan Books.
- Harvey, L. (2001). Defining and Measuring Employability. Quality in Higher Education. Vol. 7, No. 2, pp 97-109.
- Harvey, L., and Green, D. (1994). Employee Satisfaction. Birmingham. QHE.
- Harvey, L., and Knights, P.T. (1996). <u>Transforming Higher Education</u>. Milton Keynes. Open University Press.
- Harvey, L., Moon, S., Geall, V., and Bower, R. (1997). <u>Graduates's Work:</u> <u>Organizational Change and Students' Attributes</u>. Centre for Research in the Quality. University of Central England. Birmingham.
- Helmers, S.A. (1999). <u>Knowledge Management: Building on what we know</u>. Westford. The Harvard Computing Group Inc.

- Hesketh, A. (1999). Towards a New Economic Sociology of the Student Financial Experience of Higher Education. <u>Journal of Education Policy</u>.
- Holmes, L. (1995). <u>Competence and Capability: From confidence trick to the construction of graduate identity.</u> Paper for Beyond Competence to Capability and Learning Society Conference, Manchester.
- Kemp, A.D. (1990). From Matriculation to Graduation: Focusing beyond minority retention. <u>Journal of Multicultural Counseling and Development</u>. Vol. 18, pp 144-149.
- Kidwell, J.J., Linde, K.M.V, and Johnson, S.L. (2000). Applying Knowledge Management Practices in Higher Education. <u>Educause Quarterly</u>. No. 4, pp 28-33.
- Krathwohl, D.R. (1998). <u>Method of Educational and Social Science Research</u>. New York. Addison Wesley Longman.
- Kuh, G. (1993). <u>Assessing Campus Environment. The Handbook of Student Affairs Administration</u>. San Francisco. Jossev-Bass.
- Krechowiecka, I. (2001). Recycle Your Skill (http://wysiwyg://21/http://www.ivillage.co.uk/..s/articles/00,9545,156472 167581.htm)
- Lee, C.C., and Yang, J. (2000). Knowledge Value Chain. <u>The Journal of Management Development</u>. Vol. 19, No. 9, pp 783-794.
- Lewis, D., and Gill, N. (1999). <u>Building Best Practice with Business: A work experience and key skills approach</u>. Paper for Centre for Lifelong Learning conference, University of Lincolnshire and Humberside.
- Mikulecka, J., and Mikulecky, P. (1999). <u>University Knowledge Management Issues and Prospects</u>. Research report. University of Hradec Kralove. Czech Republic.
- Morgan, A., and Turner, D. (200). Adding Value to the Work Placement: Working towards a professional qualification in a undergraduate degree programme. Education + Training. Vol. 42, No. 8, pp 453-461.
- Nabi, G.R. (2003). Graduate Employment and Underemployment: Opportunity for skill use and career experiences amongst recent business graduates. Education + Training. Vol. 45, No. 7, pp 371-382.

- Nabi, G.R., and Bagley, D. (1999). Graduatess Perception of Transferable Personal Skills and Future Career Preparation in the UK. <u>Education + Training</u>. Vol 41, No. 4, pp 184-193.
- National Centre for Vocational Educational Research (NCVER). (2003). <u>Defining Generic Skill</u>. A Glance reports.
- Nettles, M.T. (1998). <u>Toward Black Undergraduates Students Equality in American Higher Education</u>. Westport City. Greenwood Press.
- Noel, L. (1985). <u>Increasing Student retention: Effective programmes and practices</u>. San Francisco. Jossey-Bass.
- Nonaka, I., and Takeuchi, H. (1995). <u>The Knowledge Creating Company</u>. New York. Oxford University Press.
- Pace, R. (1998). Environment, Experience, and Outcomes: Using College Student Experience Questionnaire for Assessment and accreditation. Paper for Washington State Annual Higher Education Assessment Conference, May 1998.
- Pace, R. (1994). <u>Measuring the Quality of College Student Experience</u>. UCLA Center for the Study of Evaluation. Los Angeles. CA.
- Pace, R. (1994). <u>CSEQ: Test Manual and Norms</u>. UCLA for the Study of Evaluation. Los Angeles. CA
- Pace, C., Wilson, M., and Kolb, D. (1993) <u>Managerial Competence and New Zealand Managers: On the inside looking in</u>. New Zealand. University of Auckland.
- Philips, B. (1996). (www.nodoubt.co.nz/articles/knowledgeworker.pdf)
- Ponterotto, J.G. (1990). <u>Racial/Ethnic Minority and Women Students in Higher Education:</u> A status report. San Francisco. Jossey-Bass.
- Probst, G., Raub, S., and Romhardt, K. (2000). <u>Managing Knowledge: Building Blocks for Success</u>. New York. John Wiley & Sons.
- Rainsburry, E., Hodges, D., Burchell, N., and Lay, M. (2002). <u>Ranking Workplace Competencies: Student and graduate perceptions</u>. Research report. Asia Pacific Journal of Cooperative Education.
- Rudman, R. (1995). <u>Competencies and Capabilities of Effective Human</u>
  <u>Resource</u>. Paper for annual conference of the Asian Regional Training and Development Organization. Melbourne, Australia.

- Saenz, T., Marcoulides, G.A., Junn, E,. and Young, R. (1999). The Relationship between College Student Experience and Academic Performance among Minority Student. The International Journal of Educational Management. Vol. 13, No. 4, pp 199-207
- Sekaran, U. (2001). <u>Research Methodology for Business: A Skill-Building Approach</u>, 3<sup>rd</sup> <u>Edition</u>. New York. John Wiley & Sons Inc.
- Seng, C.V., Zannes, E., and Pace, R.W. (2002). The Contributions of Knowledge Management to Workplace Learning. <u>Journal of Workplace Learning</u>. Vol. 14, No. 4.
- Snider, K.J.G., and Venable, A.M. (2000). <u>Assessing Learning Community Effectiveness: A Multi Approaches. Indiana State University</u>. Paper presented at the Annual Meeting of the Association for Institutional Research (AIR), Cincinnati, Ohio, May 22, 2000.
- Tiwana, A. (2000). <u>The Knowledge Management Toolkit: Practical techniques for</u> building a knowledge management system. New Jersey. Prentice Hall.
- Ulrich, D., losey, M.R., and Lake, G.S. (1997). <u>Tomorrow's HR Management</u>. Edited version. New York. John Wiley and Son Inc.
- Woodard, V.S., and Sims, S.M. (1999). <u>Improving Campus Climate</u>. Research report. University of Iowa.
- The Star .(2003). What you have to do in the employment battlefield. 1<sup>st</sup> February, 2003.
- The Star. (2000). Life skills mater. 1st February, 2003.
- Utusan Malaysia. (2003). RM500j TPK kurangkan siswazah menganggur. 22<sup>th</sup> Mei, 2003.
- Utusan Malaysia. (2003). Skim latihan kemahiran semula siswazah menganggur diperuntukkan RM100j. 26<sup>th</sup> Mei, 2003.