

RESEARCH ARTICLE

The Impact of Skill Gap on Employability: Study on Strategies and Skill Development in Higher Education

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ABSTRACT

Employability is an important requirement for students in higher education, and not having the adequate skill set can render them unemployed. This review paper attempts to articulate views on employability skills and the strategies to be followed by higher education institutes to ensure market-ready skills in the students. This paper looks at various global surveys and reports to assess the employability skill gap as a global problem. The paper does not formulate a strong conclusion but leaves it open for further speculation, as the problem under consideration is dynamic and requires constant monitoring and checkpoints to safeguard the interests of the students by helping them get jobs in this ever-evolving, technologically oriented job market.

Keywords: Employability, Higher Education Institutes, Employer, Employability Skill gap

INTRODUCTION

Education makes a man. This aphorism has long been associated with our society, which considers human beings to be social animals and depends on education to nurture that human being into a social being. Education has been the backbone of our social structure. It is imperative for providing the right knowledge for growth, development, and sustenance. Education plays a key role in equipping candidates with the right skill set required for employability.

The history of India holds evidence of ways of passing information and knowledge through generations. Indians earlier resorted to storytelling as a method of passing information. Gurukuls are elegant examples of the dissemination of information in a formal setup. Later, the message began to be written and engraved on inscriptions. The printed form of containing information, in the form of books, came much later. But all the progress in the ways and methods of preserving and passing information only strengthened the importance of education and its relevance.

Every step towards modernization and development fortified the need and growth of education in India. The right to education enjoys prominence in the Constitution of India. It has been ratified as the fundamental right for every citizen of the country. The government from time to time has taken measures to ensure the reach of education to every corner of the country. Basic education imparted at the primary level is mandatory for all. The present education system is divided into three parts – primary,

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secondary, and higher education. There are several schools and colleges in the country that work towards providing necessary education. The government also plays an active role in setting up institutions that provide education in the country. Private individuals and organizations are also key stakeholders in setting up schools and colleges. There are colleges and institutes of national and international repute for gaining education.

The government has also set up certain regulatory bodies like NCERT, AICTE, and UGC that monitor the quality of education and other necessary requirements for meeting quality education. These regulatory bodies act as guardians of education in India. These regulatory bodies ensure that the education system prepares candidates for the job market by equipping them with the right skill set to be employable and, in turn, be effective and resourceful for the organization.

However, the large unemployment rate amongst Indians points towards the lack of a right skill set needed for the jobs. It also hints at a paucity of skills needed for a particular job position. The lack of adequate or appropriate skill sets leads to higher unemployment, especially among the youth. The misalignment between higher education and skill is a global problem. Unemployment directly affects the economy of our country and adversely affects the youth who are directly impacted by it. A skill gap study conducted by Deloitte in 2018 highlights this fact: “With the positive turn in the economy, we don’t have enough job candidates with the right skills and work ethic to fill our openings, and this is making it difficult for us to accept the orders our vendors are asking us to complete.” The skill gap is considered crucial by several organizations and agencies like the World Economic Forum, the International Labour Organization, the World Bank, and Price water house Coopers, to name a few. The World Bank’s 10-Year Enterprise Survey shows the skill gap as a matter of grave concern for 67% of Indian employers.

RESEARCH OBJECTIVES

Employers expect a certain range of skills in a candidate, the potential employee, to perform a set of tasks or carry out certain job roles and responsibilities. Although the country has enough resources to produce competent employees, this failure to develop the right human resources is taking a toll on the job front and is alarming for employers. Considering the skill gap in education, this review paper aims to fulfill two objectives:

- To assess the skill gap in employability
- To highlight the new strategies and skill development to improve employability in higher education.

SIGNIFICANCE OF THE STUDY

Any lacunae in an adequate skill set make a person redundant. He fails to perform at an efficient level and does not provide any value addition to the organization. Insufficient skills make a person an underperformer, and he eventually loses interest in his work and is soon out of employment. A long, fulfilling career can be achieved by having the right skill set. It can also be maintained by covering the gap in one’s skill set or by developing the right qualities for performing well at the job. This study will help to understand the impact of the skill gap on employability by understanding the strategies for skill development in higher education.

Skill gap in Employability

Employability skills are generic in nature but are needed to start working in an organization in a specific profile. They are a set of skills needed to accomplish a task. They vary from one job to another but act as a measuring tool to assess the performance of the candidate (Metilda and Neena, 2016). Hofstrand (1996) refers to such skills as “core skills,” “key skills,” “transferable skills,” “general skills,” “non-technical skills,” and/or “soft skills.” A study by the World

Economic Forum suggests a steady growth in the demand for human-centric skills such as “critical thinking, creativity and originality, attention to detail, problem-solving, and people management” along with high technical skills. Other important skills needed by prospective employees, as found in research of college graduates in the USA, are personality variables and the interactions between cognitive and non-cognitive skills (Almlund *et al.*, 2011). Skill gaps exist when a recruited employee is not fully prepared to handle that task.

Definitions of employability are as follows: “Employability is the capability to move self-sufficiently within the labor market to realize potential through sustainable employment” (Hillage, 1998). “Employability is the ability of the graduate to get a satisfying job” (Harvey, 2001). “A set of achievements—skills, understandings, and personal attributes—that make graduates more likely to gain employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community, and the economy” (Yorke, 2004:9). “The relevance of knowledge, skills, and competences acquired through training to what the labor market/profession requires” (AEC 2004). “Those basic skills necessary for getting, keeping, and doing well on a job” (Robinson, 2000:1). “Transferable core skills groups that represent essential, functional, and enabling knowledge, skills, and attitudes required by the 21st-century workplace ... necessary for career success at all levels of employment and for all levels of education” (Overtoom, 2000:2).

A study by Metilda and Neena (2016) of fresh MBA graduates of a business school shows a gap between the “actual and expected” skills. “The study reveals that there is substantial dissatisfaction with the quality of business graduates at the practical level. The survey said 86 percent of employers concurred that MBA hires don’t create much value for their companies in the first few years of their career stage. This confirms the finding that the skill set of fresh managers is inadequate.”

Battiston and Conlon (2019) on behalf of London Analysis carried out research to investigate “the impact of skills gaps on the performance of UK businesses using data from the 2017 Employer Skills Survey (ESS).” Their study found that “more than 3% of UK employees were perceived as being not fully proficient by their employer.” Common deficiencies highlighted in their study are “literacy or numeracy,” “computer literacy/basic IT skills,” “reading and understanding, complex problem-solving and, to a lesser extent, writing,” and “specialist skills.” It was also reported that the inefficiency of an employee adversely affects the organization. It hinders its growth and development and makes it vulnerable to competition. The study highlighted that skill gaps “increase the workload for other staff,” make it difficult to introduce new working practices, “increase operating costs,” and create challenges in meeting quality standards.

Deloitte and The Manufacturing Institute (2018) carried out a skills gap study on 400 US manufacturers. It was an online survey and included extensive interviews. A shocking revelation of their study highlights a stunning figure of an estimated 2.4 million unfilled positions between 2018 and 2028 because of the skills gap. “The current study reveals that most manufacturers believe that the No. 1 cause of the skills shortage is ‘shifting skill sets due to the introduction of new advanced technology and automation,’ followed by ‘negative perceptions of students/their parents toward the manufacturing industry.’”

A study of 120 national and global surveys on skills gaps by Aring (2012) reveals a phenomenal gap in “soft skills,” which are highly needed for employability as well as technical skills. Existing literature shows that developed countries like the UK also do not prepare the students of higher education for jobs and for developing their entrepreneurial skills. In Cambodia,

“employers are demanding a workforce that has the necessary practical and technical skills to take their

businesses forward, but these skills are often in short supply... According to the ILO, on the rare occasions that formal sector jobs become available, more often than not, employers say that Cambodian graduates are simply not equipped with the mix of soft and technical skills needed. Indeed, only 13 percent of employers in Cambodia believe that graduates have all or most of the skills they need for work. According to these 'frustrated' employers, Cambodia's education and training system is not producing young Cambodians with the right skills, skills that are practical and relevant. These two qualities, which can be developed through a mix of formal education, vocational training, practical experience, and better linkages between stakeholders, are central to the challenge of youth employment." (YEP, p. 15).

According to her report, the situation is equally grim in India

"Employer studies from India show that although India graduates 450,000 engineers each year, only a fraction—25 percent—possess the skills to be employable. Indian CEOs find a shortage of young graduates who have the skills to fill certain jobs, despite a clearly large and young population. According to Indian employers, they are experiencing a "labor shortage" of graduates with sufficient skills such as communication in English (TCB 2008). India's skills gaps are not limited to engineering; the Indian Confederation of Industry states that 40 percent of India's population is under 25, yet only 5 percent of the total Indian workforce is skilled, compared to 85 percent in Southeast Asian countries. Of the approximately 500 million workforce in India, only 9 percent is engaged in the organized sector and only 5 percent have marketable skills. The largest share of new jobs would come from the unorganized sector, which accounts for most of the national workforce. The National Sample Survey reports that only about 2 percent have received formal vocational training and another 8 percent have received non-

formal vocational training (CII and City and Guilds Summit).

Bhola and Dhanawade (2013) also present a gloomy picture of Indian universities and the skill gap in their review. They opine,

"In Indian institutes and universities, standards have also detracted; more than 60% of institutes and 90% of universities in India are of poor standard. Therefore, the quality and employability of aspirants are low, making them less employable. Because of the outdated syllabus and less interaction between industry and institutes, there is a wide gap in academia, industry, and students' employability. The skills gap does exist, particularly in skills such as listening, teamwork, and collaboration; attitudes such as self-motivation, self-discipline, commitment, and dedication; and knowledge such as understanding organization and process; product, solutions, and services; and consumer behavior." (Higher Education Forum supported by ISOS & Westat, 2010).

Aringa (2012) categorized the employability skill gaps based on employer surveys and highlighted the core areas of cultural skills, interpersonal skills, intra-personal skills, and technical job skills. She has listed the important skill gaps as identified in the global surveys. The items enumerated by her are as follows:

- Literacy
- Numeracy
- Written Communications
- Ability to use information
- Oral presentation skills
- Ability to handle large amounts of information
- Technical ability
- Ability to use new information
- Computer literacy
- Proficiency in English
- Prior exposure to the work
- Knowing the organization
- Understanding economic and business realities
- Ability to formulate and check assumptions

“Employability” Skills	Cultural	Interpersonal	Intra-Personal	Technical, job specific
Literacy				X
Numeracy				X
Written Communications	X	X	X	X
Ability to use information	X	X	X	X
Oral presentation skills	X	XX	X	
Ability to handle large amounts of information		X	XX	
Technical ability				XX
Ability to use new information	X		X	
Computer literacy				XX
Proficiency in English		X		XX
Prior exposure to the work	X	X	X	X
Knowing the organization	XX	X	X	
Understanding economic and business realities			X	X
Ability to formulate and check assumptions	X		X	
Ability to follow and construct logical arguments			X	X
Ability to choose appropriate information to address problems	X			X
Ability to plan and			XX	X

- Ability to follow and construct logical arguments
- Ability to choose appropriate information to address problems
- Ability to plan and execute tasks independently
- Appropriate approach to problem solving
- Ability to monitor and evaluate own work-related activities
- Ability to relate specific issues to wider contexts
- Ability to apply knowledge to new situations
- Ability to devise ways to improve own actions
- Ability to deal with different cultural practices
- Openness and flexibility
- Negotiation and Mediation skills
- Self motivation and initiative
- Ability to network
- Creativity and innovation
- Ability to relate to a wide range of people

- Team participation x xx Sense of Identity and self confidence
- Is Sense of Identity and self confidence

Strategies and Skill Development to Improve Employability in Higher Education

The role of higher educational institutes (HEIs) is not only to provide knowledge but also to prepare students for the labor market. Newman (1852) described a university as “a place of teaching universal knowledge.” Oakeshott (2017) depicts a university as “a home of learning, a place where a tradition of learning is preserved and extended, and where the necessary apparatus for the pursuit of learning has been gathered together.” These classical definitions of a university point to knowledge gathering. However, with globalization, the role of HEIs has also

significantly changed. Researchers and scholars support the new role of universities to prepare students for the job market (Mawson and Haworth, 2018; Oliver, 2015; Wilks *et al.*, 2017).

The increased demand from HE calls for a modification and assessment of the curriculum. Various universities have adopted several programs that prepare students for the job market. Some such programs are “offering work experience, work-related learning and employability skills modules, and ‘ready for work’ events, as well as involving employers in course design and delivery. In many cases, with employability skills already embedded in the curriculum, universities employ a range of initiatives to make them more explicit to students (Cranmer, 2006)” (Bhola and Dhanawade, 2013). They also recommend the formation of a “national level committee” having representatives from industry as well as educational institutes to bridge the gap between the actual skills and expected skills. Academic institutions must be abreast of the changing trends and needs of the industry to “produce” skilled employees.

“Academia-Industry Interaction” forms the backbone of the new education system that aims to seek information from the world outside to prepare its students. The industry connection should be maintained and retained for the development of the right skills in the students. HEIs should create a culture of constant evolution to learn and grow and, in turn, develop employability skills in the students. Government intervention is also required to ensure the smooth transition of the curriculum and facilitate interaction between government-owned sectors and institutes of national repute.

CONCLUSION AND LIMITATIONS

Employability skills gap is a key concern area for any country. In India, the situation is equally bleak and requires reforms to prepare industry-ready students who can work hand in hand with organizational goals and be catalysts in its growth process rather than being

a liability for the organization. Higher education institutes play a key role in creating employees for the labor market, which will also ensure the economic growth of the country. The present work is derived from an existing literature base that provides information on the skill gap created by higher education. This study is limited in its approach because of the dependency on secondary sources and databases. However, it also offers a great opportunity for a primary study to ascertain the skill gap in India and the courses offered by higher educational institutes in India.

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