

ARE FOREIGN TRAINED GRADUATES BETTER THAN LOCALS?

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1. Introduction

➤ 60,000 local graduates unemployed.

[The Sun, 2005]

➤ Graduates from overseas universities earn about 12% more than local graduates [New Sunday Times, 2008]

➤ The salary difference between local and overseas graduates in Malaysia is mainly due to the communication skills of the latter [New Sunday Times, 2008].

1. Introduction (cont)

- Overseas graduates perceived to have a broader outlook than local graduates, thus making them more adaptable and having better ability to manage relationships, especially with the international community.
[Malaysian Association of Private Colleges and Universities' President, Dr. Parmjit Singh, 2008).

1. Introduction (cont)

- A qualification which focuses solely on academic skills is just not attractive enough to today's employers. Employers' want graduates who have excellent academic as well as "rounded" qualifications. [New Sunday Times, 2008).

2. Literature Review

2.1 Generic Competencies

- **Skills, abilities and attributes that complement the field of specialization of employees.**
- **Plethora of variables used to describe generic competencies**

Table 1: Literature Review: Generic Competencies Believed to Lead to Success

| Study | Preferred Skills and Abilities |
|------------------------------------|--|
| Davison, Brown & Davison (1993) | Punctuality, honesty, professional grooming, ethical behaviour, and dependability. |
| Raymond, McNabb, & Matthaei (1993) | Oral skills, dependability, interpersonal skills, written skills and self-starter/motivation. |
| Theeke, Sprague, & Como (1993) | Communication skills, applicable work experience, educational performance and interpersonal skills. |
| Aiken, Martin, & Paolillo (1994) | The ability to communicate, the ability to get along with others, dependability initiative, problem-solving ability and creative thinking. |
| Cook & Finch (1994) | Educational background, training potential, prior work experience (accounting employees only). |

Table 1: Literature Review: Generic Competencies Believed to Lead to Success (cont)

| Study | Preferred Skills and Abilities |
|------------------|---|
| Verville (1995) | Use of technology, a focus on client value, working in teams, employee empowerment, executing commitments (and following through), and building and applying competencies. |
| Sheetz (1995) | High level of energy and enthusiasm, quick learner, working knowledge of computers, good to excellent at written and oral communication skills, strong organizational skills, team-oriented, and an attitude of willingness to learn all aspects of the business. |
| Levenburg (1996) | Oral communication skills, written communication skills, presentation skills, multimedia presentation skills, teamwork, self-initiative, honesty and integrity, reliability, technical report writing, research/library skills, global awareness, decision-making skills, reliability, computer skills, leadership skills, problem analysis, project management, and multicultural communication. |

Table 1: Literature Review: Generic Competencies Believed to Lead to Success (cont)

| Study | Preferred Skills and Abilities |
|----------------------------------|---|
| Kryder (1997) | Written business communication, oral business communication, team orientation, computer competency, and multicultural communication. |
| Messmer (1997) | Interpersonal skills, communication skills, and working in teams. |
| Thornburg (1997) | Oral communication, written communication, computer knowledge, problem-solving, human relations, leadership, and delegation. |
| Tanyel, Mitchell & McAlum (1999) | Responsibility and accountability, ethical values, interpersonal skills, oral communications, time management and punctuality, the ability to work in teams, decision-making, analytical ability, written communications, and creativity and critical thinking. |

Table 1: Literature Review: Generic Competencies Believed to Lead to Success (cont)

| Study | Preferred Skills and Abilities |
|-------------------|---|
| Quah & Lim (2006) | Interpersonal skills, verbal communication skills, enthusiasm, self-starter, the ability to motivate/influence, make decisions, ability to organize and plan, managing projects, and managing people. |
| Quek (2005) | Interpersonal skills, knowledge-acquiring skills, flexibility, value-improving skills, practical orientation abilities, and cognitive skills. |

Source: Adapted from Faruk Tanyel, Mark A. Mitchell & Harry G. McAlum (1999). "The Skill set for success of new business school graduates: Do prospective employers and university faculty agree?" Journal of Education for Business, September/October.

2. Literature Review (cont)

Generic Skills

Analytical/Research Skills;
Computer/IT Skills;
Interpersonal/Teamwork Skills; Communication Skills;
Leadership/Problem-solving skills; Creative/Innovative Skills

Generic Traits

Dependability/Responsibility;
Enthusiasm/Motivation;
Honesty/Integrity;
Dedication/Commitment;
Confidence/Positive Self-Image; Flexibility/Adaptability

3. Research

Propositions/Hypotheses

- P1: What are the generic skills and traits of entry level job seekers considered most important by employers?
- H2: From the perspective of employers, local graduates (LG), graduates with twinning degrees (TG) and foreign graduates (FG) differ in terms of their generic competencies.
- H3: The overall job performance of local graduates (LG), graduates with twinning degrees (TG) and foreign graduates (FG) differ across three different time frames.

4. Methodology

4.1 Survey Instrument

| | |
|-----------|---|
| Section A | Measured the generic skills & traits perceived as important by employers. 5 point ordinal scale; (1) being “extremely unimportant” and (5) being “extremely important”. |
| Section B | Measured employers’ perceptions toward generic skills and traits of local graduates, graduates with twinning degrees and foreign graduates using a 5 point ordinal scale. (1) being “strongly disagree” and (5) being ‘strongly agree”. |
| Section C | Measured employers’ perceptions of overall job performance of local graduates, graduates with twinning degrees and foreign graduates using a 5 point ordinal scale. (1) being “truly terrible” and (5) being “truly exceptional”. |
| Section D | Collected data on respondents’ profile. |

4. Methodology (cont)

4.2 Pilot Test:

Developed questionnaire pilot tested on 7 MBA students, holding the post of middle management and above.

No major problems encountered; minor changes made to improve format and facilitate analysis.

Selected respondents excluded from the final survey.

4. Methodology (cont)

4.3 Population Sample:

The population sample consisted of

- (i) Human Resource Managers, Administrative Managers of Public Listed Companies (207 members).
- (ii) Chief Executive Officers, Managing Directors & Managers of Small Medium Enterprises (471 members)

Data collected via online survey.

Out of a total of 678 questionnaires sent out, only 56 usable questionnaires (8.26% return rate) were returned.

4. Methodology (cont)

4.4 Analysis of Data

Frequency & percentages of respondents checking the top 2 boxes were used to analyze the importance and employers' perceptions of the generic competencies of graduates.

Kruskal Wallis test of difference and Friedman's test for multiple related samples were used to test hypotheses 2 and 3 [Boslaugh & Watters, 2008).

5. Results

5.1 Respondents' profile

| | | Frequency | Percent |
|-----------------|--------------------------|------------------|----------------|
| Ethnicity | Malay | 21 | 37.5 |
| | Chinese | 34 | 60.7 |
| | Indian | 1 | 1.8 |
| Type of Company | Public Listed | 19 | 33.9 |
| | SMEs | 36 | 64.3 |
| Sector | Manufacturing | 38 | 67.9 |
| | (including agro-based) | 8 | 14.3 |
| | Services (including ICT) | 8 | 14.3 |
| | Others | | |

5. Results

5.1 Respondents' profile (cont)

| | | Frequency | Percent |
|---|-----|-----------|---------|
| Does your company employ | | | |
| •Commercial degree (accounting, law, IT, management, engineering etc.) holders only? | Yes | 37 | 66.1 |
| | No | 18 | 32.1 |
| •Non-commercial degree (fine arts, social sciences, education, etc.)? | Yes | 15 | 26.8 |
| | No | 40 | 71.4 |
| •Both of the above | Yes | 34 | 60.7 |
| | No | 18 | 32.1 |

5. Results

5.1 Respondents' profile (cont)

| | | Frequency | Percent |
|--|-----|-----------|---------|
| Which is true about your company? | | | |
| •Your company employs more commercial than non-commercial degree holders | Yes | 40 | 71.4 |
| | No | 16 | 28.6 |
| •Your company employs equal proportion of commercial and non-commercial degree holders | Yes | 3 | 5.4 |
| | No | 51 | 91.1 |
| •Your company employs less commercial than non-commercial degree holders | Yes | 18 | 32.1 |
| | No | 36 | 64.3 |

5. Results

5.1 Respondents' profile (cont)

| | | Frequency | Percent |
|---|-----|-----------|---------|
| Does your company employ | | | |
| •More buimputera than non-bumiputera degree holders? | Yes | 12 | 21.4 |
| | No | 43 | 76.8 |
| •Equal number of bumiputera than non-buniputera degree holders? | Yes | 6 | 10.7 |
| | No | 48 | 85.7 |
| •More non-bumiputera than bumiputera degree holders? | Yes | 31 | 55.4 |
| | No | 24 | 42.9 |

5. Results

5.1 Respondents' profile (cont)

| | | Frequency | Percent |
|---|-----|-----------|---------|
| Does your company employ | | | |
| •Graduates with local degrees? | Yes | 47 | 83.9 |
| | No | 9 | 16.1 |
| •Graduates who obtained foreign degrees locally? | Yes | 48 | 85.7 |
| | No | 8 | 14.3 |
| •Graduates who obtained foreign degrees overseas? | Yes | 49 | 87.5 |
| | No | 6 | 10.7 |

Note: Some percentages may not amount to 100 percent due to missing responses

5. Results (cont)

5.2 Percentages of Respondents Checking the Top 2 Boxes for Importance and Employers' Perceptions Towards Generic Competencies of Graduate Employees

| Generic Competencies | Importance (%) | Satisfied (%) | | |
|---|----------------|----------------|-------------------------------|------------------|
| | | Local Graduate | Graduate with Twinning Degree | Foreign Graduate |
| Communication Skills (verbal and written) | 100 (56) | 42.8 (24) | 46.4 (26) | 89.2 (50) |
| Confidence/Positive Self-image | 100 (56) | 48.2 (27) | 50.0 (28) | 83.9 (47) |
| Honesty/Integrity | 98.2 (55) | 58.9 (33) | 57.1 (32) | 51.8 (29) |
| Dependability/Responsibility | 96.4 (54) | 46.5 (26) | 55.4 (31) | 48.2 (27) |
| Computer/IT Skills | 94.6 (53) | 75.0 (42) | 78.6 (44) | 78.6 (44) |
| Flexibility/Adaptability | 91.1 (51) | 37.5 (21) | 50.0 (28) | 69.7 (39) |

5. Results (cont)

5.2 Percentages of Respondents Checking the Top 2 Boxes for Importance and Employers' Perceptions Towards Generic Competencies of Graduate Employees

Note: Figures in parentheses denote frequency counts

| Generic Competencies | Importance (%) | Satisfied (%) | | |
|-----------------------------------|----------------|----------------|-------------------------------|------------------|
| | | Local Graduate | Graduate with Twinning Degree | Foreign Graduate |
| Analytical/Research Skills | 87.5 (49) | 57.2 (32) | 60.7 (34) | 73.2 (41) |
| Interpersonal/Teamwork Skills | 85.7 (48) | 66.1 (37) | 50.0 (28) | 50.0 (28) |
| Dedication/Commitment | 85.7 (48) | 57.2 (32) | 51.8 (29) | 42.9 (24) |
| Leadership/Problem-solving Skills | 83.9 (47) | 35.7 (20) | 41.0 (23) | 55.4 (31) |
| Enthusiasm/Motivation | 83.9 (47) | 48.2 (27) | 58.9 (33) | 58.9 (33) |
| Creative/Innovative Skills | 76.8 (43) | 41.1 (23) | 46.6 (26) | 75.0 (42) |

5. Results (cont)

5.3 : Overall Performance Perception (OPP) Indices Based on Percentage of Respondents Checking the Top Box i.e. “Truly Exceptional” Responses

| Type of Graduates | Overall Performance Perception (OPP) Indices | | |
|----------------------------|--|---------------------|-------------------|
| | 3 Months on the Job | 6 Months on the Job | 1 Year on the Job |
| •Local Graduates | 0 (0) | 0 (0) | 12.5 (7) |
| •Twinning Degree Graduates | 0 (0) | 0 (0) | 17.9 (10) |
| •Foreign Graduates | 7.1 (4) | 12.5 (7) | 23.2 (13) |

Note: Figure in parentheses denote frequency counts

5. Results (cont)

5.4 : Kruskal Wallis Statistics of Employers' Perceptions of Generic Competencies of Graduates

| Attributes | Local Graduate (Mean Rank) | Twining Degree Graduate (Mean Rank) | Foreign Graduate (Mean Rank) | Chi-square Value |
|---|----------------------------|-------------------------------------|------------------------------|------------------|
| Communication skills (verbal and written) | 75.03 | 73.23 | 105.24 | 17.27** |
| Confidence/Positive Self-image | 69.42 | 84.18 | 99.90 | 12.52** |
| Honesty/Integrity | 86.53 | 85.04 | 81.94 | 0.31 |
| Dependability/Responsibility | 85.36 | 82.99 | 83.68 | 0.09 |
| Computer/IT Skills | 80.80 | 85.77 | 86.93 | 0.71 |
| Flexibility/Adaptability | 77.38 | 83.36 | 92.77 | 3.63 |

5. Results (cont)

5.4 : Kruskal Wallis Statistics of Employers' Perceptions of Generic Competencies of Graduates

| Attributes | Local Graduate (Mean Rank) | Twining Degree Graduate (Mean Rank) | Foreign Graduate (Mean Rank) | Chi-square Value |
|-----------------------------------|----------------------------|-------------------------------------|------------------------------|------------------|
| Analytical/Research Skills | 77.38 | 83.36 | 92.77 | 3.63 |
| Interpersonal/Teamwork Skills | 91.88 | 78.32 | 83.30 | 2.69 |
| Dedication/Commitment | 90.30 | 82.58 | 80.62 | 1.50 |
| Leadership/Problem-solving Skills | 74.61 | 80.13 | 98.76 | 8.93* |
| Enthusiasm/Motivation | 78.80 | 85.21 | 88.06 | 1.26 |
| Creative/Innovative Skills | 69.68 | 79.13 | 104.69 | 18.07** |

Note: *p < 0.05, **p < 0.01

5. Results (cont)

5.5: Friedman Multi-related Sample Statistics of Perceived Overall Performance of Graduates Across Three Different Time Frames

| Time Frames | Local Graduate (Mean Rank) | Twinning Degree Graduate (Mean Rank) | Foreign Graduate (Mean Rank) |
|-------------------------|----------------------------|--------------------------------------|------------------------------|
| 3 Months on the Job | 1.54 | 1.58 | 1.68 |
| 6 Months on the Job | 1.94 | 1.96 | 1.99 |
| 1 Year on the Job | 2.52 | 2.46 | 2.33 |
| Chi-square Value (d.f.) | 49.7**(2) | 42.21**(2) | 34.52**(2) |

Note: **p < 0.01

6. Discussion and Conclusion

6.1 Summary of Propositions/Hypotheses Testing

| | Propositions/Hypotheses | Findings |
|----|--|--------------------------------------|
| P1 | What are the generic skills and traits of entry level job seekers considered most important by employers? | All 12 skills/attributes significant |
| H2 | From the perspective of employers, local graduates, graduates with twinning degrees and foreign graduates differ in terms of their generic competencies. | Supported |
| H3 | The overall job performance of local graduates, graduates with twinning degrees and foreign graduates differ across three different time frames. | Supported |

6. Discussion and Conclusion (cont)

6.2 Generic skills and traits of entry level job seekers considered most important by employers

- All rated as important, with communication skills and confidence/positive self-image, both 100% topping the list.
- Local graduates considered at par with their FG & TG counterparts in terms of computer/IT skills.
- Local graduates scored higher in terms of interpersonal/teamwork skills(66.1%) and honesty/integrity(58.9%).
- Majority of employers' satisfied with 6 out of the 12 generic competencies of FG as compared to TG and LG (Table 5.2)

6. Discussion and Conclusion (cont)

6.3 Do local graduates, graduates with twinning degrees and foreign graduates differ in terms of their generic competencies.

- Employers' are more satisfied with FG as compared to LG and TG in terms of the following generic competencies:
 - **Communication Skills** (Chi-square value, 17.27, at $p < 0.01$)
 - **Confidence/Positive Self-Image** (Chi-square value, 12.52, at $p < 0.01$)
 - **Leadership/Problem-Solving Skills** (Chi-square value, 8.93, at $p < 0.05$)
 - **Creative/Innovative Skills** (Chi-square value, 18.07, at $p < 0.01$)

6. Discussion and Conclusion (cont)

6.4 Overall job performance of local graduates, graduates with twinning degrees and foreign graduates differ across three different time frames.

- FG graduates received the highest overall performance perception (OPP) score over all 3 time frames (Table 5.3)
- Friedman's test reveals that all 3 groups of graduates are perceived to have improved in their OPP, LG showed better improvements compared to their FG and TG counterparts (Table 5.5)
- Overall, the findings of this study are consistent with previous studies and literature cited.
- Employers' preference for FG over their TG and LG is indeed a reality and not a myth.

7. Limitations and Recommendations

- Small sample size might not be representative of entire community of employers.
- Sensitive nature of this study.
- **Future Research**
 - **Replicated to cover a larger sampling frame**
 - Findings should be corroborated to those of this study.
 - Findings can be generalized.

THE END

Thank You