

## **Soft Skills and Its Impact on the Marketability of UUM Graduates**

**Musdiana binti Musa**

College of Business, Universiti Utara Malaysia

[dheana\\_musa@yahoo.com](mailto:dheana_musa@yahoo.com)

\*corresponding author

**Soo Hooi Sin**

School of Business Management, College of Business,

Universiti Utara Malaysia

[jennies@uum.edu.my](mailto:jennies@uum.edu.my)

### **Abstract**

The marketability of the graduates is particular important because it is an indicator of the quality human capital that nurtured by the university, however, the rising prevalence of unemployed undergraduates is claimed that lacking of soft skills competencies although graduates are well trained in their area of specification. This study examined the relationship between entrepreneurship skills, communication skills of English proficiency and problem-solving skills on marketability of UUM graduates by using a sample of 150 undergraduate students. The findings provide evidence that entrepreneurial skills and problem-solving skills are positively related to marketability while communication skills of English proficiency was found not significant related to marketability. This study create awareness and alert for industry practitioners such as managers, where they can uses the soft skills as their benchmark criteria when screening and searching for candidates in the recruitment process.

**Keywords:** marketability, soft skills, entrepreneurship skills, problem-solving skills, communication skills

## **INTRODUCTION**

University is commonly viewed as the best place to develop and nurture future leader as university graduates will become the most valuable human capital and expected to contribute positively to the organizations and society. While in the job market, employers are constantly looking at 'work-ready' graduates, as they prefer job candidates to be the one who will be productive even at the university level (Schulz, 2008). This indicated that university graduates should not only equip themselves with content knowledge but also technical exercise and possess several soft skills. The technical skills or soft skills are highly demanded by the job market and if the graduates having such skills, they will be more marketable compared to others. Graduate marketability is also a key measurement of the university's effort in developing human capital, so there is no surprise that all universities in Malaysia are actually trying their very best to produce graduates that are knowledgeable and competent in their academic fields, and at the same time, possess several soft skills that are useful in their future working environment (Kardi, et al., 2009). At the university level, students can constantly increase their marketability through various means, such as never stop learning new technology, being more active in the extra-curriculum, attending workshops or seminars and so on. As a result, staying marketable will ensure university graduates to secure a job once they have graduated and indirectly could help to reduce the unemployment rate in the country.

However, many university graduates leave university without the appropriate skills and attitudes that are necessary for the marketplace. Hairi, Toe and Razzaly (2011) highlighted that many university graduates in Malaysia are actually lacking of soft skills competencies although they were well trained in their area of specification (Chan, 2011, Rahmah, Ishak, & Wei-Sieng, 2011). The problem was mainly due to most graduates do not appreciate what they learn in the classroom as they are lacking the ability to make the connection between content knowledge and practical use of the knowledge in the working environment they will venture into later (Shafie & Nayan , 2010). Generally, graduates are found lack of industrial training, poor command in English, low problem-solving skills, lack of self-confidence, lack of entrepreneurship skills, and poor communication skills (Khalid, Hamid, Sailin, Othman, Awang, & Nor, 2014; The Star, 2010). The lacking of these generic soft skills are the essential indicators for unemployment and lack of marketability (Singh, Thambusamy, & Ramly, 2014) even though graduates could obtained good grades. In addition, graduate's attitude who refuse to accept jobs because of selective preference on jobs, and unwilling to be self-reliant, were also become the causes of their unemployment (Adnan, Daud, Alias, & Razali, 2012).

Today, the degree certification can no longer guarantee graduates' employment, as such university graduates must equip themselves with the necessary knowledge as well as soft skills in order to be employed and success in their career. Hence, this study was undertaken to examine the relationship between soft skills and marketability of university graduates. The understanding of the value of soft skills will create an awareness and alert to the students on the importance of the marketability, also put a curb on the unemployment in Malaysia. This study proposed that several soft skills such as entrepreneur skills, problem-solving skills and English proficiency skills and examine its impact on the marketability of University Utara Malaysia (UUM) graduates.

## **LITERATURE REVIEW**

### **Marketability**

Marketability refers to the ability of individual to obtain and retain a job, where the ability and skills will increase their value. A marketable graduate is someone who is flexible, innovative, be able to adapt on changes, be able to solve problems and make decisions, also constantly demonstrate high level of quality and committed to works. Mansor, Yahya, Rahim and Hussain (2007) stressed that marketability of graduates is not solely depend on the degree qualification they obtained, but also emphasized on the quality of the soft skills of graduates. Employability skills are those basic soft skills necessary for getting, keeping, and doing well on a job (Robinson, 2000).

### **Soft Skills**

According to Shakir (2009), there are seven traits of soft skills which incorporated in the learning at Institutes of Higher Learning in Malaysia, i.e. communication skills, critical thinking and problem-solving skills, teamwork skills, informational management and lifelong learning, entrepreneurship skills and leadership skills. Previous research have found most employers preferred graduates to possess positive and good attitudes, have essential skills on communication, teamwork, decision-making and problem-solving, creative thinking and project management (Adnan, et al., 2012; Hairi, Toe & Razzaly, 2011; Kulkarni & Chachadi, 2014).

Entrepreneurship skill is one of the critical soft skills for graduates. It describes the ability to identify opportunities in business and also the ability to plan, explore, and evaluate those opportunities. Kementerian Pengajian Tinggi Malaysia (2006) listed entrepreneurship as one of the skills needed by job market. The entrepreneurship courses in Malaysia have gradually become popular and important, and majority of higher learning institutes incorporated entrepreneurship as one of the core subject in the programme.

Another important element of soft skills is communication skills. Many graduates from university in Malaysia are commented as relatively weak in English and inability to speak and response in English (Khalid et. al., 2014). According to Singh and Singh (2008), poor command in English contributes to the highest factor of unemployment among graduates. This result clearly indicates the importance of English proficiency, and by that extent, communication skills to ensure employability and marketability.

Problem-solving skill is another important soft skill the graduates must embrace. Problem-solving is related with critical thinking which described as the ability to initiate and develop the thinking process and creativity to solve problems. Mohamed and Omar (2010) stressed that problem-solving skills is the basic skills required by the industry and Yunus et al. (2006) highlighted that students are expected to think critically and recommend solutions for problem because they going to face changes and challenges in their future workplace. Students at tertiary level are expected to be able to think critically, take initiatives and shoulder responsibilities, create goals and strategies, and also solve problems. Problem-solving skill is an essential skill to ensure a company's adaptability to its surroundings, which is why this is the essential skill for graduates.

#### Underpinning Theory and Hypotheses Development

The human capital theory (Becker, 1964) argues that individuals' productivity is enhanced through education where education is functional at nurturing marketable skills and abilities which relevant to the job performance. Hence, the more highly educated the people are, the more successful they will be in the job markets (Becker, 1976). This theory strongly emphasize that knowledge and skills that acquired at higher education can be transferred and applied in the job which would broaden the work opportunities.

In the context of this study, the effect of soft skills is viewed as an effective mechanism that will enhance graduate's marketability where the functional of soft skills are reflected in the capability of the graduates which can lead to marketability. Marketability is the main concern as it is a reflector of the effectiveness of university's education system. Most of the higher learning institutions used marketability of graduates as the key measurement of university's effort in developing human capital (Chang, Ahmad, Ibrahim, & Kho, 2012). The marketability of graduates churned out by universities should stretch beyond geographical border so to produce graduates that are easily adaptable to the global environment since university assume the responsibilities in producing marketable graduates.

Inevitably, there is a gap between the skills possessed by graduates and the skills needed by employers. Most employers found that skills possessed by graduates are still lower than their expectations. Study emphasized that the lacking of key competencies and soft skills can decrease graduate's marketability. Hence this study intends to examine the effect of soft skills namely entrepreneurship, communication skills of English proficiency, and problem-solving skills on marketability by proposing the following hypotheses:

H1: Entrepreneurship skills has a direct and positive effect on marketability.

H2: English proficiency is positively link to marketability.

H3: Problem solving skills has a direct and positive effect on marketability.

Figure 1 shows the research framework and the hypothesized link among the variables. The dependence variable in this study is marketability, and the independent variables are including entrepreneurship skills, English proficiency, and problem-solving skills.

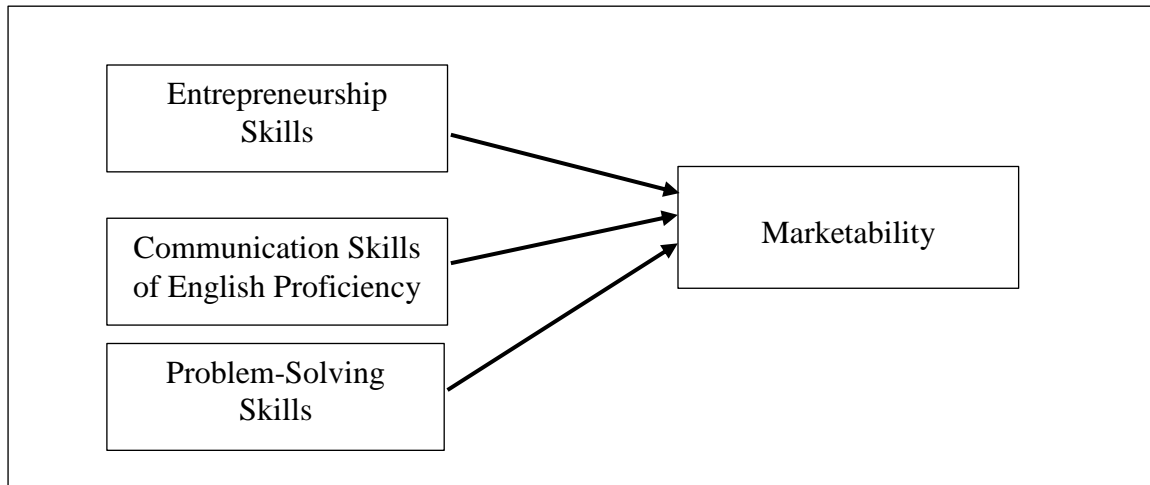


Figure 1 Theoretical Framework

## RESEARCH METHODOLOGY

This study used a sample of 150 undergraduate students who study in University Utara Malaysia. Data was collected by using questionnaire approach. The questionnaire contained of five sections, i.e. marketability, entrepreneurship skills, English proficiency skills, problem-solving skills, and background information. Nine items were adapted from Chang, Ahmad, Ibrahim, and Kho (2012) to measure marketability based on a five-point Likert scales, ranging from strongly disagree to strongly agree. Example of the items are: “being able to lead a project”, “being able to find and manage information from diverse sources”, and etc. Entrepreneurship skills were measured by ten items which adapted from Luiz and Mariotti (2011). Example of the items are: “I am a risk taker”, “I am constantly alert to business opportunities”, and etc. All the items were measured by five-point Likert scale, ranging from strongly disagree to strongly agree. A total of ten items were adapted from Woodrow (2006) to access proficiency in English. Respondents were asked to rate their competency on the items such as speak in English, read textbooks in English, based on a five-point Likert scale where 1=poor, 2=fair, 3=average, 4=good, and 5=excellent. Problem-solving skills was measured by ten items adapted from Lohman (2004) based on a five-point Likert scale, ranging from strongly disagree to strongly agree. Example of the items are: “I suggest two or more possible solutions when dealing with a problem”, “I consider relevant factors when analyzing problems”, and etc. The last section of the questionnaire is to understand profile information of respondents. A total of six items of demographic information were asked, which included, i.e. gender, age, ethnicity, highest education level, school, and semester of the study.

## RESULTS

The findings revealed there were more female (86%) than male respondents (14%). Majority (79.3%) of the respondents are in the age range of 21-23 years old, followed by those aged 20 years old and below (14%) and aged 24 years old and above (6.7%). These respondents were consisted of Malay (73.3%), Chinese (10.7%) and Indian (6%). Malays making up the majority in the ethnic group and there are another 15 respondents (10%) are from other ethnic group. Many of the respondents are holding a STPM/STAM degree (34%), followed by Bachelor's Degree (29.4%) and Diploma degree (19.4%). Only 12.6% of the respondents are at Foundation/Matriculation level and 4.6% are at post-graduate level. Background information of the respondents has been presented in Table I as below.

Table 1 Profile of Respondents

Demographic Information		Frequencies	%
Gender	Male	21	14.0
	Female	129	86.0
Age	Below 20 years	21	14.0
	21 – 23 years	119	79.3
	24 years and above	10	6.7
Ethnic	Malay	110	73.3
	Chinese	16	10.7
	Indians	9	6.0
	Others	15	10.0
Highest Education Level	STPM/STAM	51	34.0
	Foundation/Matriculation	19	12.6
	Diploma	29	19.4
	Degree	44	29.4
	Master and Ph.D.	7	4.6
College	CAS	20	13.4
	COB	100	66.6
	COLGIS	30	20.0
School	School of Education and Modern Languages	5	3.3
	School of Multimedia, Technology, and Communication	6	4.0
	School of Computing	4	2.7
	School of Quantitative Sciences	4	2.7
	School of Social Development	1	0.6
	School of Business Management	19	12.7
	School of Economics, Finance, and Banking	43	28.7
	School of Accounting	22	14.7
	School of Technology Management and Logistics	5	3.3
	Islamic Business School	11	7.3
	School of Government	18	12.0
	School of Law	3	2.0
	School of International Studies	5	3.3
	School of Tourism, Hospitality and Environment Management	4	2.7

Semester of the Study	Semester 1	5	3.3
	Semester 2	6	4.0
	Semester 3	27	18.0
	Semester 4	14	9.4
	Semester 5	74	49.4
	Semester 6	5	3.3
	Semester 7	17	11.3
	Semester 8	2	1.3

These respondents were come from three main colleges in the university. More than a half of the respondents (66.6%) are from College of Business. Only 20 respondents (13.4%) are from College of Art and 30 respondents (20%) are from College of Law, Government and International Studies. The largest pool of respondents were from School of Economics, Finance, and Banking (28.7%), followed by School of Accounting (14.7%), School of Business Management (12.7%), School of Government (12%), Islamic Business School (7.3%) and School of Multimedia, Technology, and Communication (4%). Five respondents were from School of Education and Modern Languages, School of International Studies and School of Technology Management and Logistics, respectively, which accounted for 3.3%. Few respondents were from School of Tourism, Hospitality and Environment Management (2.7%), School of Law (2%) and only one respondent were from School of Social Development (0.6%). Most of these respondents are third-year students studying semester 5 and 6 (52.7%). Many of the respondents are second-year students, semester 3 and 4 (27.4%), while 12.6% of fourth-year students at semester 7 and 8. Only 7.3% are first-year students who studying at semester 1 and 2.

Reliability analysis was conducted to assess the accuracy and consistency of the measurement items of the variables. The internal consistency of the measurement was determined using Cronbach's alpha, as stated by Nunnally (1978), a Cronbach's alpha value of 0.70 indicates adequate reliable. The results showed in Table 2 as below, the Cronbach's alpha ranges from 0.81 to 0.90, hence, the reliability of all variable in this study is assumed.

Table 2 Reliability Test

Variables	No. of Items	Alpha
Marketability	9	0.843
Entrepreneurship	10	0.835
English-Proficiency	10	0.904
Problem-Solving	10	0.805

Multiple regressions analysis was used to test the effect of entrepreneurship skills, communication skills of English proficiency and problem-solving skills on marketability of the UUM graduates. The results in Table 3 showed that entrepreneurship skills, communication skills of English proficiency and problem-solving skills did explained a total of 30.1% of the variance in marketability. Entrepreneurship skills was found to be significantly and positively related to marketability ( $\beta=.166^*$ ,  $p < 0.05$ ). However, although English proficiency skills was related to marketability in the predicted direction, but the relationship was found to be not significant ( $\beta=.125$ ,  $p < 0.05$ ). Lastly, problem-solving skills was also found to be significantly and positively related to marketability ( $\beta=.404^{**}$ ,  $p < 0.01$ ). As a result, this study managed to

find support only for two hypotheses that states, “Entrepreneurship skills has a direct and positive effect on marketability” and “Problem solving skills has a direct and positive effect on marketability”. The hypothesis for “English proficiency is positively link to marketability” was found not to be supported.

Table 3 Regression Analysis

<b>Dependent Variable: Marketability</b>					
<b>Independent Variables</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>		<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	<b>t</b>	
Entrepreneurship skills	0.146	0.064	0.166	2.289	0.024
English proficiency skill	0.103	0.065	0.125	1.601	0.112
Problem solving skills	0.484	0.096	0.404	1.601	0.000
F Value					21.004
R <sup>2</sup>					0.301
Adjusted R <sup>2</sup>					0.287
<i>Note.</i> B = unstandardized beta; Std. Error = standard error; t = t-value; sig = significant value.					
*p<.05, **p<.001					

## **DISCUSSIONS AND CONCLUSIONS**

The finding of this study found two significant relationships in which entrepreneurial skills and problem solving skills are positively and related to marketability. However, this study failed to find any significant relationship between English proficiency skills and marketability.

Entrepreneurship skills is a relatively importance to marketability as it proves that students who are equipped with entrepreneurship skills are more marketable than those who are not. Entrepreneurship skills encompass characteristics such as innovative, creative, and optimistic and like to take challenges. These characteristics can drive the company moving forward and be more competitive in the market, and this is why graduates with high entrepreneurship skills is much more needed by the company.

Problem-solving skills is another important element to marketability as it’s related to the ability to initiate and develop the thinking process and creativity solving the problem. Problem-solving skill is highly needed when the working environment is very volatile to changes especially in today working environment, organizations are surrounding with changes and problems. As such, employers would prefer to select candidates with good problem-solving skills.

English proficiency skills were found not to be significantly related to marketability. This finding is contradicted with previous literatures which highlighted that proficiency in English is particularly important as one of the major communication soft skills. Plausible reasons for this finding could be due to the measurement scale are not reflected to the competence of English skills, or respondents are not giving accurate answers based on their true feelings.

Future research may look at the different set of instruments to measure English proficiency skills.

#### Limitation

Several limitations were identified in this study. First, sample size is not large enough and hence it's not be able to represents opinions and views from all students. Second, non-probability sampling technique limits the findings to be generalized to all undergraduates. Third, the study focuses only one university which not be able to generalize the finding to the whole population. Future research could addressed these limitations by including a large sample size of respondents, using probability sampling technique, and extending the research to others public or private universities in Malaysia.

#### Implications

Having knowledge and understanding on the importance of soft skills is critical, as having the generic soft skills will definitely shows how graduates carried themselves in the job market. This study can be used by industry practitioners such as managers, to be a benchmark criteria, when they are screening for candidates in the recruitment process. Besides that, this study also can be used by government and policy makers to incorporate several types of training in tertiary education which related to entrepreneurship, communication, critical thinking and problem-solving skills development.

#### Conclusion

In conclusion, graduate marketability is not only about the graduate securing a job, but it showed that the graduate able to apply what they learned from higher education. This research is useful for higher learning institutions to improve the entire education system and incorporate soft skills elements in teaching and learning because higher learning institutions are responsible for developing graduates that are well-equipped with knowledge, technical skills as well as soft skills which makes them marketable to the industry.

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